

MADISON COUNTY SCHOOL DISTRICT  
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YEAR ENDED JUNE 30, 2005

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*Certified Public Accountants  
Consultants & Information Professionals*

PO Box 1390  
Richmond, KY 40476-1390  
Phone: (859) 626-9040  
(859) 623-1606

230 Frankfort Street, Suite 7  
Versailles, KY 40383  
Phone: (859) 879-0710

## INDEPENDENT AUDITORS' REPORT

To the Board Members  
Madison County School District  
550 South Keeneland Drive  
Richmond, KY 40475

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Madison County School District as of and for the year ended June 30, 2005, which collectively comprise the Madison County School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Madison County School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the audit requirements prescribed by the Kentucky State Committee for School Districts Audits in *Appendix I of the Independent Auditor's Contract – State Audit Requirements, Appendix II of the Independent Auditor's Contract – State Audit Requirements, and Appendix III of the Independent Auditor's Contract – Electronic Submission*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Madison County School District, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2005, on our consideration of the Madison County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 15 through 16, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Madison County School District's basic financial statements. The introductory section and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Madison County School District. The combining nonmajor fund financial statements, the schedule of expenditures of federal awards and remaining supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Baldwin & Associates, PLLC*

Baldwin & Associates, PLLC  
October 14, 2005

**MADISON COUNTY SCHOOL DISTRICT – RICHMOND, KENTUCKY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2005**

As management of the Madison County School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

**FINANCIAL HIGHLIGHTS**

- The beginning cash balance for the District was \$13.2 million, including \$6.5 in construction projects.
- The district constructs and renovates facilities with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations.
- Five major construction projects were completed in fiscal 2005. The Madison Central High School renovation project, the new Kingston Elementary School, Madison Southern High School's auditorium addition, Foley Middle School's classroom addition and the Bellevue soccer complex renovation were all completed. No major construction projects were initiated in fiscal 2005.
- Bonds were issued for the construction of the new Glenn R. Marshall Elementary School. The par value of the bonds is \$15,295,000. Bonds with a par value of \$14,725,000 were issued for the Shannon Johnson addition and Madison Central Phase II projects. Additionally, bonds were issued with a par value of \$3,235,000 to refund the 1996 series.
- Silver Creek Elementary School's \$1.6 million cafeteria is 93.9% complete. The \$2.0 million classroom addition at Shannon Johnson Elementary is 83.3% complete. Each of these facilities was in use by the start of the 2005-2006 school year. Additionally, the \$11.8 million Madison Central Phase II project is 48.6% complete and the \$15.9 million new Glenn R. Marshall Elementary School is 20.6% complete.
- The General Fund had \$48.1 million in receipts, which primarily consisted of the state program (SEEK), property, utility, and motor vehicle taxes. Excluding interfund transfers, there were \$47.7 million in General Fund expenditures.
- During fiscal 2005, the District was impacted by rising fuel prices. General fund dollars were required to supplement increased expenses for transportation.

**MADISON COUNTY SCHOOL DISTRICT – RICHMOND, KENTUCKY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2005**

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the district as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

**THE DISTRICT AS A WHOLE**

Table 1  
Net Assets  
(in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 32.92	\$ 16.50	\$ 0.88	\$ 0.83	\$ 33.80	\$ 17.33
Capital assets	90.46	76.98	0.74	0.48	91.20	77.46
Total assets	123.38	93.48	1.62	1.31	125.00	94.79
Long-term debt outstanding	(60.27)	(33.33)	-	-	(60.27)	(33.33)
Other liabilities	(5.83)	(7.88)	(0.02)	(0.02)	(5.85)	(7.90)
Total liabilities	(66.10)	(41.21)	(0.02)	(0.02)	(66.12)	(41.23)
Net assets:						-
Invested in capital assets,						-
net of debt	27.66	41.64	0.74	0.48	28.40	42.12
Reserved	5.59	4.94	0.05	0.05	5.64	4.99
Unrestricted	24.03	5.69	0.81	0.76	24.84	6.45
Total net assets	\$ 57.28	\$ 52.27	\$ 1.60	\$ 1.29	\$ 58.88	\$ 53.56

Net assets increased during 2005 by \$5.32 million. This increase is a result of current funds and revenue being used for capital projects. This is demonstrated by the decrease in current and other assets and the increase in capital assets.

**MADISON COUNTY SCHOOL DISTRICT – RICHMOND, KENTUCKY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2005**

Table 2  
Changes in Net Assets  
(in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
Program revenues:						
Charges for service	\$ 0.07	\$ 0.07	\$ 1.25	\$ 1.13	\$ 1.32	\$ 1.20
Operating grants and contributions	8.78	9.29	2.19	1.85	10.97	11.14
Capital grants and contributions	2.91	2.79	-	-	2.91	2.79
General revenues:						
Property taxes	14.80	13.60	-	-	14.80	13.60
Other taxes	5.78	5.46	-	-	5.78	5.46
State grants	42.08	38.68	-	-	42.08	38.68
Other general revenues	1.12	0.35	0.16	-	1.28	0.35
Total revenues	<u>75.54</u>	<u>70.24</u>	<u>3.60</u>	<u>2.98</u>	<u>79.14</u>	<u>73.22</u>
<b>Expenses</b>						
Program expenses						
Instructional	42.60	38.98	-	-	42.60	38.98
Student services	3.53	3.42	-	-	3.53	3.42
Instructional staff	4.35	2.61	-	-	4.35	2.61
District administration	1.02	1.03	-	-	1.02	1.03
School administration	2.45	2.71	-	-	2.45	2.71
Business services	0.78	1.47	-	-	0.78	1.47
Plant operations and maintenance	4.37	4.81	-	-	4.37	4.81
Student transportation	4.94	4.57	-	-	4.94	4.57
Central office	-	-	-	-	-	-
Noninstructional	0.78	0.74	-	-	0.78	0.74
Facility acquisition and construction	0.34	-	-	-	0.34	-
Interest on long-term debt	2.66	1.46	-	-	2.66	1.46
Unallocated depreciation	2.81	2.70	-	-	2.81	2.70
Unallocated amortization	0.09	0.06	-	-	0.09	0.06
Food service	-	-	3.62	3.30	3.62	3.30
Total expenses	<u>70.72</u>	<u>64.56</u>	<u>3.62</u>	<u>3.30</u>	<u>74.34</u>	<u>67.86</u>
Excess (deficiency) before transfers	4.82	5.68	(0.02)	(0.32)	4.80	5.36
Transfers	<u>(0.33)</u>	<u>-</u>	<u>0.33</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ 4.49</u>	<u>\$ 5.68</u>	<u>\$ 0.31</u>	<u>\$ (0.32)</u>	<u>\$ 4.80</u>	<u>\$ 5.36</u>

**MADISON COUNTY SCHOOL DISTRICT – RICHMOND, KENTUCKY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2005**

Revenues reflect an increase of 8.09 percent, in Table 2. This is due to several factors including a significant increase in enrollment which in turn generates increased state revenue. Additionally, the second growth nickel which was enacted in fiscal 2004 was matched in full by the state and both portions are earmarked for capital projects.

There was also an increase in expenses. Instructional expenses increased due to additional staffing to meet the needs of a growing student population and cost of living increases for current staff.

**CAPITAL ASSETS**

At the end of fiscal 2005, the District had \$28.40 million invested in capital assets, including land, buildings, buses, computers and other equipment. This amount represents a net decrease (including additions and deductions) of \$13.72 million, or 33 percent, over last year. The decrease is due to the district borrowed funds that have not yet been invested in capital assets. Those funds have been restricted in net assets under, "restricted for future construction".

Table 3  
Capital Assets at Year-End  
(Net of Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Land	\$ 3.79	\$ 3.79	\$ -	\$ -	\$ 3.79	\$ 3.79
Buildings & improvements	69.39	43.35	-	-	69.39	43.35
Technology Equipment	1.39	1.26	0.02	0.02	1.41	1.28
Vehicles	3.06	3.03	-	-	3.06	3.03
General Equipment	0.60	0.60	0.72	0.46	1.32	1.06
Construction in Progress	12.23	24.94	-	-	12.23	24.94
Totals	<u>\$ 90.46</u>	<u>\$ 76.97</u>	<u>\$ 0.74</u>	<u>\$ 0.48</u>	<u>\$ 91.20</u>	<u>\$ 77.45</u>



**MADISON COUNTY SCHOOL DISTRICT – RICHMOND, KENTUCKY**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2005

**DEBT**

Bonds were issued in fiscal 2005 for the refunding of 1996 Series bonds. The par value of the new issue is \$3,235,000. Due to lower interest rates, the reissue resulted in a savings of \$225,801.

Bond sales are anticipated in fiscal 2006 to fund cafeteria renovation projects.

Table 4  
Outstanding Debt at Year-End  
(in Millions)

	Governmental Activities	
	2005	2004
General Obligation Bonds	<u>\$ 63.42</u>	<u>\$ 35.79</u>

**COMMENTS ON BUDGET COMPARISONS**

- The district's total revenues for the fiscal year ended June 30, 2005 net of Interfund transfers were \$79.14 million.
- General fund budget compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$433,000 more than budget or approximately .82 percentage points. This does not include on-behalf payments from the state of Kentucky.
- The total cost of all programs and services was \$73.23 million net of debt service.
- General fund budget expenditures to actual varied significantly in district administrative support. Workers compensation, unemployment and dental reimbursements are budgeted in district administrative support; however, expenditures are made from the same function as the related salary. Consequently, throughout the financial report, employee benefits exceed the budget in each function except district administrative support.
- General fund plant operation and management actual expenditures are significantly less than the amount budgeted. Due to House Bill 267, the District was able to move property insurance and maintenance expenditures that would normally have been expensed as plant operation and management to Capital Outlay.

**MADISON COUNTY SCHOOL DISTRICT – RICHMOND, KENTUCKY**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2005

**THE DISTRICT'S FUNDS**

As the District completed the year, its General Fund reflected a fund balance of \$6.2 million, which exceeds last year's fund balance of \$5.9 million. It is important to note that a portion of the balance is reserved for prior year encumbrances, site-based councils and sick leave payable. The unreserved portion of the fund balance in fiscal 2005 was \$5.1 million, compared to the \$4.8 million from the preceding year. The increase was due to House Bill 267 which permitted the use of Capital Outlay funds to pay for General Fund maintenance and property insurance expenditures. This enabled the District to restore a large portion of the General Fund balance which was reduced in the previous fiscal year. Additionally, House Bill 267 enabled the District to be aggressive in technology expenditures.

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 7,619,559	\$ 561,852	\$ 8,181,411
Investments	20,980,915	-	20,980,915
Accounts Receivable:			
Taxes-current	563,850	-	563,850
Taxes-delinquent	42,245	-	42,245
Accounts	242,212	235,367	477,579
Intergovernmental-State	106,192	-	106,192
Intergovernmental-Federal	1,051,494	-	1,051,494
Prepaid expenses	644,476	-	644,476
Due from other funds	9,724	-	9,724
Accrued interest receivable	275,601	-	275,601
Inventories	-	72,070	72,070
Total current assets	<u>31,536,268</u>	<u>869,289</u>	<u>32,405,557</u>
<u>Noncurrent Assets</u>			
Capital assets	123,437,361	1,437,498	124,874,859
Less: accumulated depreciation	<u>(32,972,561)</u>	<u>(699,102)</u>	<u>(33,671,663)</u>
	90,464,800	738,396	91,203,196
Bond issue costs	<u>1,386,381</u>	<u>-</u>	<u>1,386,381</u>
Total noncurrent assets	<u>91,851,181</u>	<u>738,396</u>	<u>92,589,577</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 123,387,449</u></u>	<u><u>\$ 1,607,685</u></u>	<u><u>\$ 124,995,134</u></u>
<b>LIABILITIES</b>			
<u>Current Liabilities</u>			
Cash overdraft	\$ 361,230	\$ -	\$ 361,230
Accounts payable:			
Accounts	1,371,046	15,286	1,386,332
Accrued payroll and related expenses	1,408	-	1,408
Due to other funds	-	-	-
Deferred revenues	625,112	-	625,112
Current portion of bond obligations	3,660,000	-	3,660,000
Current portion of compensated absences	250,000	-	250,000
Accrued interest payable	674,454	-	674,454
Total current liabilities	<u>6,943,250</u>	<u>15,286</u>	<u>6,958,536</u>
<u>Noncurrent Liabilities</u>			
Noncurrent portion of bond obligations	59,148,139	-	59,148,139
Noncurrent portion of compensated absences	<u>1,125,680</u>	<u>-</u>	<u>1,125,680</u>
Total Noncurrent Liabilities	<u>60,273,819</u>	<u>-</u>	<u>60,273,819</u>
Total Liabilities	<u>67,217,069</u>	<u>15,286</u>	<u>67,232,355</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	27,656,361	738,396	28,394,757
Restricted for:			
Accrued sick leave	515,776	-	515,776
SBDM	327,383	-	327,383
Encumbrances	255,958	-	255,958
Future construction	21,821,027	-	21,821,027
Inventories	-	48,870	48,870
Unrestricted	<u>5,593,875</u>	<u>805,133</u>	<u>6,399,008</u>
Total Net Assets	<u>56,170,380</u>	<u>1,592,399</u>	<u>57,762,779</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 123,387,449</u></u>	<u><u>\$ 1,607,685</u></u>	<u><u>\$ 124,995,134</u></u>

See accompanying notes to financial statements

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2005

FUNCTION/PROGRAMS	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	Expenses	Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities:							
Instruction	\$ 42,598,986	\$ 65,702	\$ 4,759,315	\$ -	\$ (37,773,969)	\$ -	\$ (37,773,969)
Support services							
Student	3,529,870	-	1,297,275	-	(2,232,595)	-	(2,232,595)
Instructional staff	4,353,481	-	1,241,093	-	(3,112,388)	-	(3,112,388)
District administration	1,018,316	-	-	-	(1,018,316)	-	(1,018,316)
School administration	2,451,544	-	-	-	(2,451,544)	-	(2,451,544)
Business	778,731	-	21,325	-	(757,406)	-	(757,406)
Plant operations and maintenance	4,371,018	-	178,294	-	(4,192,724)	-	(4,192,724)
Student transportation	4,937,622	-	510,532	-	(4,427,090)	-	(4,427,090)
Central office	-	-	-	-	-	-	-
Noninstructional	776,779	-	770,458	-	(6,321)	-	(6,321)
Facility acquisition and construction	338,278	-	-	2,908,251	2,569,973	-	2,569,973
Interest on long-term debt	2,662,289	-	-	-	(2,662,289)	-	(2,662,289)
Unallocated depreciation	2,811,903	-	-	-	(2,811,903)	-	(2,811,903)
Unallocated amortization	95,459	-	-	-	(95,459)	-	(95,459)
Total Governmental Activities	<u>70,724,276</u>	<u>65,702</u>	<u>8,778,292</u>	<u>2,908,251</u>	<u>(58,972,031)</u>	<u>-</u>	<u>(58,972,031)</u>
Business-Type Activities							
Food Service	3,617,134	1,253,897	2,185,654	-	-	(177,583)	(177,583)
Total Business-Type Activities	<u>3,617,134</u>	<u>1,253,897</u>	<u>2,185,654</u>	<u>-</u>	<u>-</u>	<u>(177,583)</u>	<u>(177,583)</u>
Total School District	<u>\$ 74,341,410</u>	<u>\$ 1,319,599</u>	<u>\$ 10,963,946</u>	<u>\$ 2,908,251</u>	<u>(58,972,031)</u>	<u>(177,583)</u>	<u>(59,149,614)</u>
General revenues:							
Taxes:							
Property					14,798,639	-	14,798,639
Motor vehicle					2,047,910	-	2,047,910
Utilities					3,537,526	-	3,537,526
Other					191,911	-	191,911
State and formula grants					42,076,782	-	42,076,782
Investment earnings					917,548	14,098	931,646
Miscellaneous					222,310	148,577	370,887
Loss on disposal of assets					(2,600)	-	(2,600)
Gain on sale of assets					-	-	-
Transfers					(327,680)	327,680	-
TOTAL GENERAL REVENUES					<u>63,462,346</u>	<u>490,355</u>	<u>63,952,701</u>
CHANGE IN NET ASSETS					4,490,315	312,772	4,803,087
NET ASSETS-BEGINNING					52,263,528	1,279,627	53,543,155
PRIOR PERIOD ADJUSTMENT- NOTE L					(583,463)	-	(583,463)
NET ASSETS-ENDING					<u>\$ 56,170,380</u>	<u>\$ 1,592,399</u>	<u>\$ 57,762,779</u>

MADISON COUNTY SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2005

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS AND RESOURCES</u>					
Cash and cash equivalents	\$ 1,574,887	\$ -	\$ 6,044,672	\$ -	\$ 7,619,559
Investments	4,300,000	-	16,680,915	-	20,980,915
Accounts receivable:					
Taxes - current	563,850	-	-	-	563,850
Taxes - delinquent	42,245	-	-	-	42,245
Accounts	-	3,910	215,139	23,163	242,212
Intergovernmental - state	51,047	55,145	-	-	106,192
Intergovernmental - federal	96,710	954,784	-	-	1,051,494
Due from other funds	9,724	-	-	-	9,724
<b>TOTAL ASSETS AND RESOURCES</b>	<b>\$ 6,638,463</b>	<b>\$ 1,013,839</b>	<b>\$ 22,940,726</b>	<b>\$ 23,163</b>	<b>\$ 30,616,191</b>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Cash overdraft	\$ -	\$ 344,437	\$ -	\$ 16,793	\$ 361,230
Accounts payable	200,687	44,290	1,119,699	6,370	1,371,046
Accrued payroll and related expenses	1,408	-	-	-	1,408
Due to other funds	-	-	-	-	-
Obligation under capital lease	-	-	-	-	-
Deferred revenues	-	625,112	-	-	625,112
Compensated absences	250,000	-	-	-	250,000
<b>Total Liabilities</b>	<b>452,095</b>	<b>1,013,839</b>	<b>1,119,699</b>	<b>23,163</b>	<b>2,608,796</b>
Fund Balance:					
Reserved for accrued sick leave	515,776	-	-	-	515,776
Reserved for SBDM	327,383	-	-	-	327,383
Reserved for encumbrances	255,958	-	-	-	255,958
Reserved for future construction	-	-	21,821,027	-	21,821,027
Unreserved	5,087,251	-	-	-	5,087,251
<b>Total Fund Balance</b>	<b>6,186,368</b>	<b>-</b>	<b>21,821,027</b>	<b>-</b>	<b>28,007,395</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 6,638,463</b>	<b>\$ 1,013,839</b>	<b>\$ 22,940,726</b>	<b>\$ 23,163</b>	<b>\$ 30,616,191</b>

MADISON COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS

Total fund balance per fund financial statements	\$ 28,007,395
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net assets.	90,464,800
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Certain long-term assets are not reported in this fund financial statement because they are not available to pay current-period expenditures, but they are reported in the statement of net assets.	2,306,458
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Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, and accrued interest) are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net assets.	<u>(64,068,273)</u>
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Net assets for governmental activities	<u><u>\$ 56,710,380</u></u>
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MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2005

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
From local sources					
Taxes:					
Property	\$ 10,277,408	\$ -	\$ -	\$ 4,521,231	\$ 14,798,639
Motor vehicle	2,047,910	-	-	-	2,047,910
Utilities	3,537,526	-	-	-	3,537,526
Other	8,888	-	-	183,023	191,911
Tuition and fees	19,762	-	-	-	19,762
Earnings on investments	231,981	2,425	440,722	16,395	691,523
Other	157,402	64,908	-	-	222,310
On behalf revenue	9,319,461	-	-	-	9,319,461
Intergovernmental - state	31,762,276	2,896,097	-	2,882,988	37,541,361
Intergovernmental - indirect federal	-	5,522,194	-	494,689	6,016,883
Intergovernmental - direct federal	94,397	154,382	25,263	-	274,042
<b>TOTAL REVENUES</b>	<b>57,457,011</b>	<b>8,640,006</b>	<b>465,985</b>	<b>8,098,326</b>	<b>74,661,328</b>
<b>EXPENDITURES</b>					
Instruction	38,386,185	4,878,074	-	177,876	43,442,135
Support services:					
Student	2,238,090	1,297,275	-	-	3,535,365
Instructional staff	2,795,575	1,241,093	-	316,813	4,353,481
District administration	953,757	-	-	64,559	1,018,316
School administration	2,495,654	-	-	-	2,495,654
Business	763,048	21,326	-	-	784,374
Plant operations and maintenance	4,229,044	178,294	-	-	4,407,338
Student transportation	5,064,218	510,532	-	-	5,574,750
Central office	-	-	-	-	-
Non-instructional	6,321	770,458	-	-	776,779
Facility acquisition and construction	121,698	-	14,871,017	-	14,992,715
Other	-	-	-	4,317,848	4,317,848
<b>TOTAL EXPENDITURES</b>	<b>57,053,590</b>	<b>8,897,052</b>	<b>14,871,017</b>	<b>4,877,096</b>	<b>85,698,755</b>
Excess (deficit) of revenues over expenditures	403,421	(257,046)	(14,405,032)	3,221,230	(11,037,427)
Other financing sources (uses)					
Proceeds from sale of bonds	-	-	29,492,934	-	29,492,934
Proceeds from sale of fixed assets	-	-	-	-	-
Operating transfers in	-	118,759	3,307,398	-	3,426,157
Operating transfers out	(118,759)	-	(327,680)	(3,307,398)	(3,753,837)
<b>Total other financing sources (uses)</b>	<b>(118,759)</b>	<b>118,759</b>	<b>32,472,652</b>	<b>(3,307,398)</b>	<b>29,165,254</b>
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	284,662	(138,287)	18,067,620	(86,168)	18,127,827
Fund balances - July 1, 2004	5,901,706	138,287	3,753,407	86,168	9,879,568
Fund balances - June 30, 2005	<u>\$ 6,186,368</u>	<u>\$ -</u>	<u>\$ 21,821,027</u>	<u>\$ -</u>	<u>\$ 28,007,395</u>

MADISON COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2005

Net change in total fund balances per fund financial statements	\$ 18,127,827
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Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense for the year.	13,496,477
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Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	(27,275,316)
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In the statement of activities certain operating expenses and revenues such as compensated absences, insurance, and Interest are measured by the amounts earned during the year. In the governmental funds however expenditures or revenues for these items are measured by the amount of financial resources used/received.

This year compensated absences paid exceeded the amounts earned by:	(448,013)
Earned interest revenue exceeded the amount received by:	226,025
Insurance paid exceeded the amounts earned by:	363,315

Change in net assets of governmental activities	\$ 4,490,315
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MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget favorable (unfavorable)
<b>REVENUES</b>				
From local sources				
Taxes:				
Property	\$ 9,557,000	\$ 10,230,000	\$ 10,277,408	\$ 47,408
Motor vehicle	19,500	1,950,000	2,047,910	97,910
Utilities	35,000	3,500,000	3,537,526	37,526
Other	1,000	1,000	8,888	7,888
Tuition and fees	14,500	14,500	19,762	5,262
Earnings on investments	130,000	130,000	231,981	101,981
Other	75,000	75,000	157,402	82,402
On behalf revenues	-	-	9,319,461	9,319,461
Intergovernmental - state	32,137,247	31,730,662	31,762,276	31,614
Intergovernmental - indirect federal	-	-	-	-
Intergovernmental - direct federal	70,000	70,000	94,397	24,397
<b>TOTAL REVENUES</b>	<b>42,039,247</b>	<b>47,701,162</b>	<b>57,457,011</b>	<b>9,755,849</b>
<b>EXPENDITURES</b>				
Instruction	29,889,122	30,179,103	38,386,185	(8,207,082)
Support services:				
Student	1,919,029	1,919,029	2,238,090	(319,061)
Instructional staff	2,343,080	2,343,080	2,795,575	(452,495)
District administration	1,534,204	1,574,204	953,757	620,447
School administration	2,168,324	2,201,533	2,495,654	(294,121)
Business	754,112	754,112	763,048	(8,936)
Plant operations and maintenance	4,786,498	4,801,457	4,229,044	572,413
Student transportation	4,514,370	4,687,370	5,064,218	(376,848)
Central office	-	-	-	-
Non-instructional	-	-	6,321	(6,321)
Facility acquisition and construction	275,000	225,000	121,698	103,302
Other	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>48,183,739</b>	<b>48,684,888</b>	<b>57,053,590</b>	<b>(8,368,702)</b>
Excess (deficit) of revenues over expenditures	(6,144,492)	(983,726)	403,421	1,387,147
Other financing sources (uses)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	3,000	3,000	-	(3,000)
Operating transfers in	-	-	-	-
Operating transfers out	(125,000)	(115,000)	(118,759)	(3,759)
<b>Total other financing sources (uses)</b>	<b>(122,000)</b>	<b>(112,000)</b>	<b>(118,759)</b>	<b>(6,759)</b>
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	(6,266,492)	(1,095,726)	284,662	1,380,388
Fund balances - July 1, 2004	6,266,492	1,095,726	5,901,706	4,805,980
Fund balances - June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,186,368</u>	<u>\$ 6,186,368</u>

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget favorable (unfavorable)
<b>REVENUES</b>				
From local sources				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-
Utilities	-	-	-	-
Other	-	-	-	-
Tuition and fees	-	-	-	-
Earnings on investments	-	-	2,425	2,425
Other	-	74,150	64,908	(9,242)
On behalf revenues	-	-	-	-
Intergovernmental - state	2,825,425	3,579,227	2,896,097	(683,130)
Intergovernmental - indirect federal	5,005,482	5,644,543	5,522,194	(122,349)
Intergovernmental - direct federal	85,000	85,000	154,382	69,382
<b>TOTAL REVENUES</b>	<b>7,915,907</b>	<b>9,382,920</b>	<b>8,640,006</b>	<b>(742,914)</b>
<b>EXPENDITURES</b>				
Instruction	4,348,585	5,345,120	4,878,074	467,046
Support services:				
Student	1,294,332	1,294,332	1,297,275	(2,943)
Instructional staff	1,309,342	1,330,054	1,241,093	88,961
District administration	-	-	-	-
School administration	2,000	10,000	-	10,000
Business	36,567	36,567	21,326	15,241
Plant operations and maintenance	8,400	154,966	178,294	(23,328)
Student transportation	277,789	572,989	510,532	62,457
Central office	-	-	-	-
Non-instructional	763,892	763,892	770,458	(6,566)
Facility acquisition and construction	-	-	-	-
Other	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>8,040,907</b>	<b>9,507,920</b>	<b>8,897,052</b>	<b>610,868</b>
Excess (deficit) of revenues over expenditures	(125,000)	(125,000)	(257,046)	(132,046)
Other financing sources (uses)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Operating transfers in	125,000	125,000	118,759	(6,241)
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>125,000</b>	<b>125,000</b>	<b>118,759</b>	<b>(6,241)</b>
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	-	-	(138,287)	(138,287)
Fund balances - July 1, 2004	-	-	138,287	138,287
Fund balances - June 30, 2005	\$ -	\$ -	\$ -	\$ -

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS - PROPRIETARY FUND  
JUNE 30, 2005

	Food Service Fund
<hr/>	
ASSETS	
<u>Current assets</u>	
Cash and cash equivalents	\$ 561,852
Accounts receivable	235,367
Inventories	72,070
	<hr/>
Total current assets	869,289
	<hr/>
<u>Noncurrent Assets</u>	
Capital assets	1,437,498
Less: accumulated depreciation	(699,102)
	<hr/>
Total noncurrent assets	738,396
	<hr/>
TOTAL ASSETS	\$ 1,607,685
	<hr/>
LIABILITIES	
<u>Current Liabilities</u>	
Accounts payable	\$ 15,286
	<hr/>
Total liabilities	15,286
	<hr/>
<u>Net Assets</u>	
Invested in capital assets, net of related debt	738,396
Reserved for:	
Inventories	72,070
SBDM	-
Encumbrances	-
Future construction	-
Unreserved	781,933
	<hr/>
Total net assets	1,592,399
	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 1,607,685
	<hr/>

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2005

	Food Service Fund
OPERATING REVENUES:	
Lunchroom sales	\$ 1,250,450
Other operating revenues	3,447
TOTAL OPERATING REVENUES	<u>1,253,897</u>
OPERATING EXPENSES:	
Salaries and benefits	1,490,695
Contract services	77,398
Materials and supplies	1,957,381
Depreciation	87,627
Other operating expenses	4,033
TOTAL OPERATING EXPENSES	<u>3,617,134</u>
Operating loss	<u>(2,363,237)</u>
NONOPERATING REVENUES (EXPENSES):	
Federal grants	1,881,426
Donated commodities	256,137
State grants	48,091
Tranfers from other funds	327,680
Loss on sale of assets	-
Earnings on investments	14,098
Other	148,577
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>2,676,009</u>
Change in net assets	312,772
Net assets, July 1, 2004	<u>1,279,627</u>
Net assets, June 30, 2005	<u><u>\$ 1,592,399</u></u>

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2005

	Food Service Fund
	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from:	
Lunchroom sales	\$ 1,162,243
Other activities	3,447
Cash paid to/for:	
Employees	1,490,695
Supplies	1,962,946
Other activities	90,104
	<hr/>
Net cash used by operating activities	(2,378,055)
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Government grants	2,331,248
	<hr/>
Net cash provided by noncapital financing activities	2,331,248
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(20,093)
Receipt of interest income	14,098
	<hr/>
Net cash used by investing activities	(5,995)
	<hr/>
Net increase in cash and cash equivalents	(52,802)
	<hr/>
Cash and cash equivalents at July 1, 2004	614,654
	<hr/>
Cash and cash equivalents at June 30, 2005	\$ 561,852
	<hr/> <hr/>
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (2,363,237)
Adjustments to reconcile operating loss to cash used by operating activities	
Depreciation	87,627
Loss on sale of assets	-
In-kind commodities received	-
Changes in assets and liabilities	
Increase in inventory	(8,683)
Increase in accounts receivable	(88,207)
Decrease in accounts payable	(5,555)
	<hr/>
Net cash used by operating activities	\$ (2,378,055)
	<hr/> <hr/>

See accompanying notes to financial statements

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2005

	Madison Central High School	Madison Southern High School	Clark Moores Middle School	Madison Middle School	Red Foley Middle School
<u>ASSETS</u>					
Cash and cash equivalents	\$ 192,921	\$ 107,929	\$ 62,322	\$ 62,275	\$ 15,071
Investments	64,000	-	-	-	-
Accounts receivable:					
Taxes - current	-	-	-	-	-
Taxes - delinquent	-	-	-	-	-
Accounts	-	444	-	-	1,925
Intergovernmental - state	-	-	-	-	-
Intergovernmental - federal	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 256,921</u>	<u>\$ 108,373</u>	<u>\$ 62,322</u>	<u>\$ 62,275</u>	<u>\$ 16,996</u>
<u>LIABILITIES</u>					
Liabilities:					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	309	7,192	49	616	-
Accrued payroll and related expenses	-	-	-	-	-
Due to other funds	-	1,779	376	746	185
Obligation under capital lease	-	-	-	-	-
Compensated absences	-	-	-	-	-
Total Liabilities	<u>309</u>	<u>8,971</u>	<u>425</u>	<u>1,362</u>	<u>185</u>
Net Assets:					
Unreserved	<u>256,612</u>	<u>99,402</u>	<u>61,897</u>	<u>60,913</u>	<u>16,811</u>
Total Net Assets	<u>\$ 256,612</u>	<u>\$ 99,402</u>	<u>\$ 61,897</u>	<u>\$ 60,913</u>	<u>\$ 16,811</u>

<u>Daniel Boone Elementary</u>	<u>Kingston Elementary</u>	<u>Kirksville Elementary</u>	<u>Kit Carson Elementary</u>	<u>Mayfield Elementary</u>	<u>Shannon Johnson Elementary</u>
\$ 15,075	\$ 22,167	\$ 21,652	\$ 13,700	\$ 46,760	\$ 9,341
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	366	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,075</u>	<u>22,167</u>	<u>21,652</u>	<u>13,700</u>	<u>47,126</u>	<u>9,341</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
154	-	1,604	326	1,013	-
-	-	-	-	-	-
-	1,289	-	1,340	481	486
-	-	-	-	-	-
-	-	-	-	-	-
<u>154</u>	<u>1,289</u>	<u>1,604</u>	<u>1,666</u>	<u>1,494</u>	<u>486</u>
<u>14,921</u>	<u>20,878</u>	<u>20,048</u>	<u>12,034</u>	<u>45,632</u>	<u>8,855</u>
<u>\$ 14,921</u>	<u>\$ 20,878</u>	<u>\$ 20,048</u>	<u>\$ 12,034</u>	<u>\$ 45,632</u>	<u>\$ 8,855</u>

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS (CONTINUED)  
FIDUCIARY FUNDS  
JUNE 30, 2005

	Silver Creek Elementary	Waco Elementary	White Hall Elementary	Total Fiduciary Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 57,019	\$ 6,804	\$ 72,660	\$ 705,696
Investments	-	5,000	-	69,000
Accounts receivable:				
Taxes - current	-	-	-	-
Taxes - delinquent	-	-	-	-
Accounts	-	75	-	2,810
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 57,019</u>	<u>\$ 11,879</u>	<u>\$ 72,660</u>	<u>\$ 777,506</u>
<u>LIABILITIES</u>				
Liabilities:				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	73	-	11,336
Accrued payroll and related expenses	-	-	-	-
Due to other funds	1,865	1,017	159	9,723
Obligation under capital lease	-	-	-	-
Compensated absences	-	-	-	-
Total Liabilities	<u>1,865</u>	<u>1,090</u>	<u>159</u>	<u>21,059</u>
Net Assets:				
Unreserved	<u>55,154</u>	<u>10,789</u>	<u>72,501</u>	<u>756,447</u>
Total Net Assets	<u>\$ 55,154</u>	<u>\$ 10,789</u>	<u>\$ 72,501</u>	<u>\$ 756,447</u>



MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2005

	Madison Central High School	Madison Southern High School	Clark Moores Middle School	Madison Middle School	Red Foley Middle School
<b>REVENUES</b>					
From local sources					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-	-
Utilities	-	-	-	-	-
Other	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Earnings on investments	-	-	-	-	-
Other	708,133	427,138	167,728	185,094	99,476
Intergovernmental - state	-	-	-	-	-
Intergovernmental - indirect federal	-	-	-	-	-
Intergovernmental - direct federal	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>708,133</b>	<b>427,138</b>	<b>167,728</b>	<b>185,094</b>	<b>99,476</b>
<b>EXPENDITURES</b>					
Instruction					
Support services:					
Student	-	-	-	-	-
Instructional staff	-	-	-	-	-
District administration	-	-	-	-	-
School administration	-	-	-	-	-
Business	-	-	-	-	-
Plant operations and maintenance	-	-	-	-	-
Student transportation	-	-	-	-	-
Central office	-	-	-	-	-
Non-instructional	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Other	669,010	426,955	176,783	182,911	88,831
<b>TOTAL EXPENDITURES</b>	<b>669,010</b>	<b>426,955</b>	<b>176,783</b>	<b>182,911</b>	<b>88,831</b>
 Excess (deficit) revenues over expenditures	 39,123	 183	 (9,055)	 2,183	 10,645
Other financing sources (uses)					
Proceeds from sale of bonds	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	 39,123	 183	 (9,055)	 2,183	 10,645
Net Assets - July 1, 2004	217,489	99,219	70,952	58,730	6,166
Net Assets - June 30, 2005	<u>\$ 256,612</u>	<u>\$ 99,402</u>	<u>\$ 61,897</u>	<u>\$ 60,913</u>	<u>\$ 16,811</u>

Daniel Boone Elementary	Kingston Elementary	Kirksville Elementary	Kit Carson Elementary	Mayfield Elementary	Shannon Johnson Elementary
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,330	50,108	54,320	25,173	19,502	38,209
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>24,330</u>	<u>50,108</u>	<u>54,320</u>	<u>25,173</u>	<u>19,502</u>	<u>38,209</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
23,205	54,411	51,092	27,166	24,896	36,278
<u>23,205</u>	<u>54,411</u>	<u>51,092</u>	<u>27,166</u>	<u>24,896</u>	<u>36,278</u>
1,125	(4,303)	3,228	(1,993)	(5,394)	1,931
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,125	(4,303)	3,228	(1,993)	(5,394)	1,931
<u>13,796</u>	<u>25,181</u>	<u>16,820</u>	<u>14,027</u>	<u>51,026</u>	<u>6,924</u>
<u>\$ 14,921</u>	<u>\$ 20,878</u>	<u>\$ 20,048</u>	<u>\$ 12,034</u>	<u>\$ 45,632</u>	<u>\$ 8,855</u>

MADISON COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2005

	Silver Creek Elementary	Waco Elementary	White Hall Elementary	Total Fiduciary Funds
<b>REVENUES</b>				
From local sources				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-
Utilities	-	-	-	-
Other	-	-	-	-
Tuition and fees	-	-	-	-
Earnings on investments	-	-	-	-
Other	26,524	65,120	29,938	1,920,793
Intergovernmental - state	-	-	-	-
Intergovernmental - indirect federal	-	-	-	-
Intergovernmental - direct federal	-	-	-	-
<b>TOTAL REVENUES</b>	<b>26,524</b>	<b>65,120</b>	<b>29,938</b>	<b>1,920,793</b>
<b>EXPENDITURES</b>				
Instruction				
Support services:				
Student	-	-	-	-
Instructional staff	-	-	-	-
District administration	-	-	-	-
School administration	-	-	-	-
Business	-	-	-	-
Plant operations and maintenance	-	-	-	-
Student transportation	-	-	-	-
Central office	-	-	-	-
Non-instructional	-	-	-	-
Facility acquisition and construction	-	-	-	-
Other	26,339	64,820	37,014	1,889,711
<b>TOTAL EXPENDITURES</b>	<b>26,339</b>	<b>64,820</b>	<b>37,014</b>	<b>1,889,711</b>
 Excess (deficit) revenues over expenditures	 185	 300	 (7,076)	 31,082
Other financing sources (uses)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	 185	 300	 (7,076)	 31,082
Net Assets - July 1, 2004	54,969	10,489	79,577	725,365
<b>Net Assets - June 30, 2005</b>	<b>\$ 55,154</b>	<b>\$ 10,789</b>	<b>\$ 72,501</b>	<b>\$ 756,447</b>

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2005

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Madison County Board of Education ("Board"), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Madison County School District ("District"). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Madison County Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc.

The financial statements of the District include those of separately administered organizations that are controlled by or dependent on the Board. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements:

Madison County Board of Education Finance Corporation – On May 16, 1989, the Madison County, Kentucky, Board of Education resolved to authorize the establishment of the Madison County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS Section 58.180) (the "Corporation") as an agency of the Board for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors.

Basis of Presentation

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the changes in net total assets. Proprietary funds and fiduciary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

The District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the main operating fund of the Board. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any unrestricted fund balances are considered as resources available for use. Reservations have been placed on the fund balance for outstanding encumbrances, allocation to the schools' site based decision making councils, and accrued sick leave. This is a major fund of the District.
- (B) The Special Revenue Funds account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of the specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

- (C) The Fiscal Agent Fund accounts for Wilderness Co-op Grant.
- (D) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Fund).
  - 1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the district's facility plan.
  - 2. The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the district's facility plan.
  - 3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This is a major fund of the District.

II. Proprietary Fund Types (Enterprise Fund)

- (A) The Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA. The Food Service Fund is a major fund.
- (B) The District applies all GASB pronouncements to proprietary funds as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

III. Fiduciary Fund Type (Agency and Private Purpose Trust Funds)

Activity funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the Uniform Program of Accounting for School Activity Funds.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net assets as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Property Taxes

Property taxes collected are reported as revenues in the fund for which they were levied. Property taxes are based on property valuations on January 1. The tax rate is generally agreed to be the Board in the following October, and contingent upon state approval, the tax will be due in November or December of the same year.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. Improvements are capitalized; the cost of, normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not.

All reported capital assets and improvements are depreciated. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statements of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Accumulated Unpaid Sick Leave Benefits

Upon entering the Kentucky Teachers' Retirement System, certified employees will receive from the District an amount equal to 30% of the total value of unused sick days times daily pay rate.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account compensated absences in the general fund. The noncurrent portion of the liability is not reported.



MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Budgetary Process

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Cash and Cash Equivalents

The District considers demand deposits, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents.

Inventories

On government-wide financial statements inventories are stated at cost and are expensed when used.

On fund financial statements inventories are stated at cost. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

Inventories of purchased goods of the Enterprise Fund are carried at cost on a first-in first-out basis. Inventories of donated commodities of the Enterprise Fund are recognized at the fair value when received.

Prepaid Assets

Payments made that will benefit periods beyond June 30, 2005 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, accumulated sick leave, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED  
Year ended June 30, 2005

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by the various schools.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE B – ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of assets, liabilities, fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE C – CASH AND INVESTMENTS**

The District maintains their cash and investments with various local banks and with Cadre Securities, Inc. Federal Depository Insurance covers all of the account balances at the local banks. Investments are in accordance with KRS 66.480(1).

Cash and cash equivalents consist of direct deposit accounts and money market mutual funds. At June 30, 2005 the carrying amount of cash and cash equivalents was \$8,181,411 and the bank balance was \$13,838,190. The money market mutual fund invests solely in obligations of the United States and its agencies and instrumentalities. The credit quality rating of the money market mutual fund is AAAM.

Investments consist of certificate of deposits and obligations of the United States and its agencies and instrumentalities. Federal Depository Insurance covered the certificates of deposits. The carrying amount of the investments at June 30, 2005 was \$20,980,915 and the market value of the investments at June 30, 2005 was \$21,116,059.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE D – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Balance			Balance
Governmental Activities	July 1, 2004	Additions	Deductions	June 30, 2005
Land	\$ 3,791,887	\$ -	\$ -	\$ 3,791,887
Buildings and improvements	63,557,632	27,674,600	-	91,232,232
Technology equipment	5,612,906	629,829	482,379	5,760,356
Vehicles	8,585,477	634,045	-	9,219,522
General equipment	1,122,990	83,859	2,199	1,204,650
Construction in progress	24,940,067	14,654,437	27,365,790	12,228,714
Totals at historical cost	107,610,959	43,676,770	27,850,368	123,437,361
Less: accumulated depreciatoin				
Buildings and improvements	20,209,821	1,630,457	-	21,840,278
Technology equipment	4,351,330	499,519	480,486	4,370,363
Vehicles	5,555,412	601,423	-	6,156,835
General equipment	526,073	80,504	1,492	605,085
Total accumulated depreciatoin	30,642,636	2,811,903	481,978	32,972,561
Governmental Activities				
Capital Assets - Net	<u>\$ 76,968,323</u>	<u>\$ 40,864,867</u>	<u>\$ 27,368,390</u>	<u>\$ 90,464,800</u>
Business-type Activities				
Technology equipment	\$ 42,174	\$ 3,898	\$ 2,983	\$ 43,089
General equipment	1,047,551	346,858	-	1,394,409
Totals at historical cost	1,089,725	350,756	2,983	1,437,498
Less: accumulated depreciation				
Technology equipment	24,712	4,857	2,983	26,586
General equipment	589,746	82,770	-	672,516
Total accumulated depreciatoin	614,458	87,627	2,983	699,102
Business-type Activities				
Capital Assets - Net	<u>\$ 475,267</u>	<u>\$ 263,129</u>	<u>\$ -</u>	<u>\$ 738,396</u>

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE E – BONDED DEBT AND LEASE OBLIGATIONS**

The amount shown in the accompanying financial statements as bonds payable represents the District's future obligations to make lease payments relating to school building revenue bonds issued by the Madison County School District Finance Corporation (Finance Corporation) on behalf of the District for purposes of school facility construction.

The original amount of each issue, the issue date, and interest rates are summarized below:

1995B	1,870,000	3.600% - 5.300%
1996	5,155,000	5.650% - 5.650%
1998	3,280,000	4.375% - 4.500%
1998R	3,085,000	1.000% - 4.200%
1999	2,860,000	4.000% - 5.000%
1999R	2,325,000	3.875% - 4.400%
2001	12,150,000	3.250% - 4.750%
2001R	2,730,000	3.000% - 4.250%
2003	8,245,000	1.000% - 3.600%
2004R	4,315,000	2.000% - 3.750%
2004	14,725,000	2.000% - 4.375%
2004BR	3,235,000	2.000% - 3.700%
2005	15,295,000	3.000% - 4.000%

The following are aggregate lease obligations (including interest) existing at June 30, 2005:

<u>Year Ending June 30,</u>	<u>Minimum Annual Rental</u>
2006	\$ 5,955,733
2007	6,005,899
2008	5,139,236
2009	5,143,780
2010	5,140,623
Thereafter	<u>61,092,815</u>
Total	<u><u>\$ 88,478,086</u></u>

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE E – BONDED DEBT AND LEASE OBLIGATIONS - CONTINUED**

At June 30, 2005, the District had the following bonds payable outstanding:

Description	Series	Amount
Revenue Bond	1995B	\$ 1,120,000
Revenue Bond	1996	330,000
Revenue Bond	1998	2,575,000
Revenue Bond	1998R	1,030,000
Revenue Bond	1999	1,980,000
Revenue Bond	1999R	1,195,000
Revenue Bond	2001	9,845,000
Revenue Bond	2001R	2,005,000
Revenue Bond	2003	6,550,000
Revenue Bond	2004R	3,575,000
Revenue Bond	2004	14,725,000
Revenue Bond	2004BR	3,195,000
Revenue Bond	2005	<u>15,295,000</u>
Total payable at par		63,420,000
Less: Unamortized defeasance cost		<u>(611,861)</u>
		62,808,139
Less: Current portion payable from restricted assets		<u>(3,660,000)</u>
Total long-term portion		<u><u>\$ 59,148,139</u></u>

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding. The District is also obligated to maintain adequate property insurance on the school facilities.

In connection with the issues dated 1995B, 1996, 1998, 1998R, 1999R, 2001, 2001R and 2004BR the District entered into participation agreements with the Kentucky School Facility Construction Commission. The Commission was created by the Kentucky Legislature for the purpose of assisting local school districts in meeting school construction needs. The table below sets forth the amount to be paid by the District and Commission for each year until maturity of all bond issues.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE E – BONDED DEBT AND LEASE OBLIGATIONS – CONTINUED**

	Commission		District		Total
	Principal	Interest	Principal	Interest	
2006	\$ 680,910	\$ 201,906	\$ 2,979,090	\$ 2,093,827	\$ 5,955,733
2007	708,872	173,945	3,056,128	2,066,954	6,005,899
2008	570,064	133,944	2,449,936	1,985,292	5,139,236
2009	588,119	122,061	2,521,881	1,911,719	5,143,780
2010	610,778	97,895	2,599,222	1,832,728	5,140,623
2011	504,991	78,393	2,685,009	1,747,398	5,015,791
2012	328,742	58,213	2,776,258	1,654,596	4,817,809
2013	290,465	44,893	2,874,535	1,555,595	4,765,488
2014	172,612	32,819	2,952,388	1,454,573	4,612,392
2015	170,361	25,483	3,064,639	1,341,032	4,601,515
2016	172,856	18,278	3,187,144	1,221,881	4,600,159
2017	145,781	11,532	3,314,219	1,094,848	4,566,380
2018	107,810	5,997	3,162,190	969,333	4,245,330
2019	79,362	1,786	3,290,638	836,144	4,207,930
2020	-	-	3,145,000	698,298	3,843,298
2021	-	-	3,250,000	565,656	3,815,656
2022	-	-	2,770,000	425,629	3,195,629
2023	-	-	2,885,000	313,406	3,198,406
2024	-	-	2,610,000	195,544	2,805,544
2025	-	-	2,715,000	86,488	2,801,488
Totals	<u>\$ 5,131,723</u>	<u>\$ 1,007,145</u>	<u>\$ 58,288,277</u>	<u>\$ 24,050,941</u>	<u>\$ 88,478,086</u>

**NOTE F – RETIREMENT PLANS**

Kentucky Teachers' Retirement System

Certified employees participate in the Kentucky Teachers' Retirement System (KTRS), which is a cost sharing, multiple-employer retirement system created by and operating under Kentucky law.

The KTRS covers all regular certified full-time employees of each school board. The plan provides for retirement, disability and death benefits. KTRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained in writing from the KTRS, 479 Versailles Road, Frankfort, Kentucky 40601-3800.

Participating employees contribute 9.855% of creditable compensation. Matching contributions are made by the state. The federal program for any salaries paid by that program pays the matching contributions. The District contributed 9.855% of the employee's compensation paid by federal programs for the fiscal year ended June 30, 2005. The Board of Trustees of the Kentucky Retirement Systems determines the contribution rates.

The District's required contributions (both withholding and match) for pension obligations to KTRS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$3,794,252, \$2,852,344, and \$3,279,883 respectively.

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE F – RETIREMENT PLANS (CONTINUED)**

County Employees Retirement System

Employees who work on average of 80 hours per month over their contract participate in the County Employees Retirement System (CERS), which is a cost sharing, multiple-employer public employee's retirement system created by and operating under Kentucky law.

The CERS covers substantially all regular non-certified full-time employees of each county and school board, and any additional local agencies electing to participate. The plan provides for retirement, disability and death benefits. CERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained in writing from the CERS, 1260 Louisville Road, Perimeter Park, West Frankfort, Kentucky 40601-6124.

Participating employees contribute 5.00% of creditable compensation. The District contributed 8.48% of creditable compensation during the fiscal year ended June 30, 2005. The Board of Trustees of the Kentucky Retirement Systems determines the contribution rates.

The District's required contributions (both withholding and match) for pension obligations to CERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,246,430, \$610,955, and \$860,762 respectively.

**NOTE G - CONTINGENCIES**

The District receives funding from Federal, State and Local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if based upon the grantor's review, the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the District for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

**NOTE H - INSURANCE AND RELATED ACTIVITIES**

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated including Workers' Compensation insurance. Premiums for these policies are based upon the District's experience to date



MADISON COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
Year ended June 30, 2005

**NOTE I - RISK MANAGEMENT**

The District is exposed to various risks of loss related to injuries to employees. To obtain insurance of workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. The public entity risk pools operate as common risk management and insurance programs for all school district and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. Contributions to the Workers' Compensation fund are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the members on a pro rata basis.

The District purchases unemployment insurance through the Kentucky School Boards Insurance Trust Unemployment Compensation Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE J - TRANSFER OF FUNDS**

The following transfers were made during the year:

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Building Fund	Construction	Construction	\$ 3,307,398
Construction	Food Service	Construction	327,680
General	Special Revenue	Technology Match	118,759

**NOTE K – ON BEHALF PAYMENTS**

Amounts recognized in the basic financial statements as revenues and expenditures for payments of fringe benefits and salaries total \$ 9,319,461.

The retirement benefits are paid by the Kentucky Department of Education to the Kentucky Teachers Retirement System.

**NOTE L – PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was made to the net assets of the governmental activities to adjust for expenses related to GASB No. 34 adjustments that should have been reversed in 2004.

MADISON COUNTY SCHOOL DISTRICT  
COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2005

	Capital Outlay Fund	Building Fund	Special Revenue Wilderness Cooperative Fund	Total Non-Major Governmental Funds
<u>ASSETS AND RESOURCES</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes - current	-	-	-	-
Taxes - delinquent	-	-	-	-
Accounts	-	-	23,163	23,163
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	-	-	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,163</u>	<u>\$ 23,163</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Cash overdraft	\$ -	\$ -	\$ 16,793	\$ 16,793
Accounts payable	-	-	6,370	6,370
Accrued payroll and related expenses	-	-	-	-
Due to other funds	-	-	-	-
Obligation under capital lease	-	-	-	-
Deferred revenues	-	-	-	-
Compensated absences	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>23,163</u>	<u>23,163</u>
Fund Balance:				
Reserved for accrued sick leave	-	-	-	-
Reserved for BDM	-	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for future construction	-	-	-	-
Unreserved	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,163</u>	<u>\$ 23,163</u>

MADISON COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2005

	Capital Outlay Fund	Building Fund	Special Revenue Wilderness Cooperative Fund	Total Non-Major Governmental Funds
<u>REVENUES</u>				
From local sources				
Taxes:				
Property	\$ -	\$ 4,521,231	\$ -	\$ 4,521,231
Motor vehicle	-	-	-	-
Utilities	-	-	-	-
Other	-	183,023	-	183,023
Tuition and fees	-	-	-	-
Earnings on investments	8,300	8,095	-	16,395
Other	-	-	-	-
On behalf revenue	-	-	-	-
Intergovernmental - state	876,920	2,006,068	-	2,882,988
Intergovernmental - indirect federal	-	-	494,689	494,689
Intergovernmental - direct federal	-	-	-	-
<b>TOTAL REVENUES</b>	<b>885,220</b>	<b>6,718,417</b>	<b>494,689</b>	<b>8,098,326</b>
<u>EXPENDITURES</u>				
Instruction	-	-	177,876	177,876
Support services:				
Student	-	-	-	-
Instructional staff	-	-	316,813	316,813
District administration	-	64,559	-	64,559
School administration	-	-	-	-
Business	-	-	-	-
Plant operations and maintenance	-	-	-	-
Student transportation	-	-	-	-
Central office	-	-	-	-
Non-instructional	-	-	-	-
Facility acquisition and construction	-	-	-	-
Other	956,950	3,360,898	-	4,317,848
<b>TOTAL EXPENDITURES</b>	<b>956,950</b>	<b>3,425,457</b>	<b>494,689</b>	<b>4,877,096</b>
Excess (deficit) of revenues over expenditures	(71,730)	3,292,960	-	3,221,230
Other financing sources (uses)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	(3,307,398)	-	(3,307,398)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(3,307,398)</b>	<b>-</b>	<b>(3,307,398)</b>
Deficit of revenues and other financing sources over expenditures and other financing uses	(71,730)	(14,438)	-	(86,168)
Fund balances - July 1, 2004	71,730	14,438	-	86,168
Fund balances - June 30, 2005	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON CENTRAL HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
<b>GENERAL AND INSTRUCTIONAL</b>					
General Fund	\$ 48,900	\$ 21,560	\$ 27,340	\$ 78,370	\$ 105,710
Student Fees	47,647	47,647	-	-	-
Student Locks	10	10	-	-	-
Parking Stickers	3,540	4,310	(770)	770	-
School Pictures	4,982	4,982	-	-	-
Pride Committee	-	-	-	1	1
Lost Textbooks	1,739	1,959	(220)	220	-
Interest	3,857	3,473	384	66	450
Home Economics	3,110	3,094	16	171	187
Industrial Tech	-	504	(504)	2,460	1,956
Library Activities	1,547	1,722	(175)	1,013	838
Fac-Staff Retirement	1,033	3,189	(2,156)	9,336	7,180
Fac-Staff Appreciation	6,430	1,707	4,723	1,224	5,947
HD House/B. Roberts	-	-	-	621	621
<b>TOTAL GENERAL AND INSTRUCTIONAL</b>	<b>122,795</b>	<b>94,157</b>	<b>28,638</b>	<b>94,252</b>	<b>122,890</b>
<b>VENDORS</b>					
Vending-Staff	8,499	8,499	-	-	-
Vending-Student	26,656	26,656	-	-	-
<b>TOTAL VENDORS</b>	<b>35,155</b>	<b>35,155</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ATHLETICS</b>					
Advertisment-Athletic	300	-	300	2,613	2,913
Miscellaneous Athletics	41,309	56,518	(15,209)	15,209	-
Baseball	12,212	12,212	-	-	-
Baseball-Non Budget	12,303	10,765	1,538	4,493	6,031

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON CENTRAL HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Boys Basketball	18,703	18,703	-	-	-
B/ Basketball	-	1,683	(1,683)	1,683	-
Girls Basketball	13,257	13,257	-	-	-
Girls Basketball Trip	-	-	-	5,649	5,649
G-Basketball N-B	-	153	(153)	1,598	1,445
Boys Cheerleaders	7,014	7,014	-	-	-
Cheerleader Trip	22,589	28,875	(6,286)	6,296	10
Cheer-Non Budget	66,690	73,767	(7,077)	7,091	14
Cheer-Non Budget 326	-	923	(923)	923	-
Concession	17,127	12,878	4,249	-	4,249
Cross Country-Boys	2,474	2,474	-	-	-
JV Dance-Non Budget	-	-	-	3,497	3,497
Varsity Dance-Non Budget	9,794	5,760	4,034	-	4,034
Football	27,964	27,964	-	-	-
Football-Non Budget	5,473	642	4,831	372	5,203
Freshman Football-Non Budget	-	27	(27)	27	-
Boys Golf	745	745	-	-	-
Boys Golf-Non Budget	6,280	5,770	510	1,516	2,026
Girls Golf	131	131	-	-	-
Girls Golf-Non Budget	-	135	(135)	245	110
Homecoming	7,485	7,485	-	-	-
Boys Soccer	4,091	4,091	-	-	-
Girls Soccer	4,495	4,495	-	-	-
Girls Soccer	-	-	-	461	461
Softball	7,387	7,387	-	-	-
Softball-Non Budget	89	-	89	1,085	1,174
Swimming	2,139	2,139	-	-	-
Swimming-Non Budget	-	323	(323)	323	-

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON CENTRAL HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Tennis	2,567	2,567	-	-	-
Tennis-Non Budget	5,081	4,953	128	256	384
Tournaments	63,007	63,007	-	-	-
Boys Track	1,396	1,396	-	-	-
Boys Track-Non Budget	-	25	(25)	25	-
Girls Track	1,803	1,803	-	-	-
Girls Track-Non Budget	106	161	(55)	148	93
Volleyball	5,349	5,349	-	-	-
Volleyball-Non Budget	8,402	12,089	(3,687)	4,193	506
<b>TOTAL ATHLETICS</b>	<b>377,762</b>	<b>397,666</b>	<b>(19,904)</b>	<b>57,703</b>	<b>37,799</b>
<b>CLUBS AND ACTIVITIES</b>					
Academic Team	2,281	1,376	905	48	953
Champions	-	-	-	189	189
Choral Music	12,545	13,450	(905)	905	-
DABS	3,826	3,792	34	74	108
Deborah Richardson Scholarship	-	228	(228)	228	-
DECA Club	25,069	25,390	(321)	454	133
Drama Club	2,819	4,269	(1,450)	1,569	119
Express Yourself	-	104	(104)	165	61
FCA	377	413	(36)	1,299	1,263
FFA Club	13,768	13,282	486	15,826	16,312
FCCLA	3,806	4,650	(844)	2,563	1,719
French Club	2,223	2,494	(271)	626	355
Future Educators of America	648	786	(138)	238	100
Greenhouse Workstudy	449	402	47	1,320	1,367
JROTC Club	870	704	166	3,345	3,511
Junior Class	18,677	20,222	(1,545)	5,753	4,208

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON CENTRAL HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Junior BETA	-	-	-	3,597	3,597
Latin Club	20,847	18,498	2,349	244	2,593
Louise Abney Scholarship Fund	2,556	2,412	144	70	214
Marilyn Isaacs	-	-	-	46	46
Mock Trial	208	253	(45)	117	72
National Honor Society	1,435	1,249	186	1,253	1,439
Project Graduation	-	-	-	1	1
Share the Memories	-	43	(43)	175	132
Sophomore Class	486	510	(24)	433	409
Senior Class	2,455	2,455	-	-	-
Service Academy Scholarship	-	500	(500)	500	-
Spanish Club	696	481	215	2,474	2,689
Spanish Honor Society	242	142	100	329	429
Student Council Club	-	339	(339)	339	-
Student Pride	140	109	31	446	477
Technology Student	-	-	-	2,546	2,546
Terry Lynn Wells Scholarship	39	100	(61)	4,295	4,234
Tribal Trust Club	-	7	(7)	7	-
Tribal Threads	3,404	3,117	287	365	652
Incentive Program	-	-	-	336	336
Senior Prize Money	-	-	-	263	263
Yearbook	19,739	15,691	4,048	10,395	14,443
B.A.R.D.S.	212	293	(81)	181	100
Teacher Cadet	-	-	-	381	381
Freshman Academy	1,094	2,342	(1,248)	1,248	-
STLP	248	345	(97)	432	335
Uniform Replacements	29,842	-	29,842	-	29,842
Megan Liebgood	1,210	1,000	210	-	210

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON CENTRAL HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Y Club	210	171	39	-	39
CIA	-	413	(413)	459	46
<b>TOTAL CLUBS AND ACTIVITIES</b>	<u>172,421</u>	<u>142,032</u>	<u>30,389</u>	<u>65,534</u>	<u>95,923</u>
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>708,133</b>	<b>669,010</b>	<b>39,123</b>	<b>217,489</b>	<b>256,612</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<u><b>\$ 708,133</b></u>	<u><b>\$ 669,010</b></u>	<u><b>\$ 39,123</b></u>	<u><b>\$ 217,489</b></u>	<u><b>\$ 256,612</b></u>

See accompanying notes to financial statements.



**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON CENTRAL HIGH SCHOOL**  
**ACTIVITY FUND**  
**CERTIFICATES OF DEPOSIT**  
**JUNE 30, 2005**

<u>ACCOUNT</u>	<u>ADDITION (DELETION)</u>	<u>C.D. BALANCE JULY 1, 2004</u>	<u>C.D. BALANCE JUNE 30, 2005</u>
Certificates of Deposit	\$ -	\$ 60,000	\$ 60,000
Terry Lynn Wells Scholarship	-	4,000	4,000
<b>TOTALS</b>	<u>\$ -</u>	<u>\$ 64,000</u>	<u>\$ 64,000</u>

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON CENTRAL HIGH SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE**  
**JUNE 30, 2005**

**ACCOUNTS PAYABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Dance Club	Liberts	\$ 309
TOTAL ACCOUNTS PAYABLE		<u>\$ 309</u>

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON SOUTHERN HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
	\$	\$	\$	\$	\$
Academic Team	-	142	(142)	345	203
AFJROTC Logistical	10,419	5,560	4,859	13,609	18,468
AFJROTC Department	-	431	(431)	555	124
AFJROTC	7,409	8,436	(1,027)	5,267	4,240
Art Club	10	354	(344)	353	9
Art Department	2,459	1,716	743	455	1,198
Athletic Buses	18,622	18,622	-	-	-
Athletic Department	71,759	71,762	(3)	5	2
Athletic Uniforms	9,139	9,139	-	-	-
Aquaculture	48	2	46	88	134
Auditorium Rent	250	-	250	-	250
Band	122	356	(234)	324	90
Baseball	2,833	2,933	(100)	100	-
Basketball, Boys	6,984	6,365	619	-	619
Basketball, Girls	1,095	2,791	(1,696)	2,132	436
Berea College Grant	-	73	(73)	73	-
Beta Club	378	185	193	-	193
FBLA	483	498	(15)	341	326
Business	-	-	-	1	1
Cheerleaders	2,374	2,551	(177)	275	98
Class of 2005	1,532	791	741	-	741
Class of 2006	332	44	288	-	288
Class of 2007	114	10	104	-	104
Class of 2008	200	104	96	-	96
Computer Labs	90	364	(274)	517	243
Cross Country	243	366	(123)	139	16
DECA	16,368	16,563	(195)	195	-
DECA-Trip	39,653	39,645	8	-	8

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON SOUTHERN HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Drama Club	5,137	3,815	1,322	812	2,134
Eagle Store	-	160	(160)	160	-
EDF	624	718	(94)	197	103
English Department	-	1,711	(1,711)	1,831	120
Family Consumer	-	218	(218)	219	1
Foreign Language Department	1,478	-	1,478	2	1,480
FCA	100	105	(5)	225	220
FCCLA	15	10	5	648	653
FEA	913	748	165	-	165
Fees	57,561	42,392	15,169	965	16,134
FFA Grant	950	-	950	1,566	2,516
FFA	22,583	21,773	810	1,381	2,191
Football	6,396	6,300	96	-	96
Four H Club	10	10	-	-	-
French Club	-	-	-	18	18
French Department	-	59	(59)	289	230
General	18,735	18,647	88	-	88
Golf Team, Boys	200	324	(124)	253	129
Golf Team, Girls	134	100	34	-	34
Graduation	-	-	-	17	17
Greenhouse	7,356	4,416	2,940	4,922	7,862
Health	1,800	2,794	(994)	1,000	6
Homecoming	644	644	-	-	-
Hospitality	554	395	159	-	159
Humanities	-	349	(349)	1,722	1,373
I.A. Club	868	265	603	836	1,439
I.A. Department	-	1,200	(1,200)	1,426	226
Interest	521	6,404	(5,883)	5,939	56
Junior Class	-	7,000	(7,000)	7,001	1

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON SOUTHERN HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Latin Department	-	1,625	(1,625)	1,625	-
Letter Jackets	6,982	6,982	-	-	-
Library	1,796	711	1,085	25	1,110
Math Department	-	6	(6)	10	4
Mini Grants	-	(36)	36	4,222	4,258
Newspaper	819	1,393	(574)	578	4
Orange & Blue	-	95	(95)	95	-
Operating Expenses	-	13	(13)	13	-
Parking	4,380	9,280	(4,900)	4,900	-
Pep Club	540	549	(9)	135	126
Photography	7,905	10,828	(2,923)	2,924	1
Prom	17,642	10,574	7,068	-	7,068
Reading	250	-	250	-	250
SADD	18	10	8	3	11
Scholarship Fund	200	500	(300)	700	400
Science Club	1,025	1,184	(159)	188	29
Science Olympiad	-	97	(97)	207	110
Senior Class	846	660	186	173	359
Soccer, Boys	505	505	-	-	-
Soccer, Girls	1,849	1,663	186	-	186
Social Studies	66	770	(704)	953	249
Softball	500	1,583	(1,083)	1,238	155
Sophomore Class	-	342	(342)	343	1
Southern Belles	356	418	(62)	234	172
Spanish Club	3,328	3,049	279	198	477
Spanish Department	-	12	(12)	12	-
Special Ed.	-	283	(283)	283	-
Student Council	1,806	1,720	86	799	885
St. Jude's Children's Hospital	979	979	-	-	-

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON SOUTHERN HIGH SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Supplemental	(8)	-	(8)	102	94
Swim Team	120	86	34	-	34
TSA	200	80	120	154	274
Tennis	543	1,034	(491)	1,934	1,443
Track	1,455	1,433	22	-	22
Track, Girls	600	653	(53)	530	477
Tsunami Relief	1,134	1,134	-	-	-
Vending	34,145	34,887	(742)	802	60
Vending Teachers	2,245	1,289	956	670	1,626
Vo. Ag. Dept.	1,191	721	470	1,799	2,269
Vocal Music	540	522	18	258	276
Yearbook	9,276	9,493	(217)	11,754	11,537
Weight Room	-	-	-	10	10
Eagle Bank	54	58	(4)	36	32
ID Cards	74	5,182	(5,108)	5,108	-
Volleyball	1,673	1,673	-	1	1
Textbooks	2,609	2,555	54	-	54
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>427,138</b>	<b>426,955</b>	<b>183</b>	<b>99,219</b>	<b>99,402</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 427,138</b>	<b>\$ 426,955</b>	<b>\$ 183</b>	<b>\$ 99,219</b>	<b>\$ 99,402</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON SOUTHERN HIGH SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS RECEIVABLE**  
**JUNE 30, 2005**

**ACCOUNTS RECEIVABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Vending-Teachers	Pepsi-Commissions	\$ 69
Fees	Fees	45
Library Fines	Fines	1
General	Lunch Charges	16
Lost Textbook	Lost Book	54
Athletics	Drug Test	1
Vending-Teachers	Pepsi-Commissions	47
Vending-Teachers	Pepsi-Commissions	71
Vending	Pepsi-Commissions	60
Girls Basketball	Camp Fee	80
		<hr/>
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<b>\$ 444</b> <hr/>

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON SOUTHERN HIGH SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE AND DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**ACCOUNTS PAYABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
General	MSHS Food Service-Lunch Charges	\$ 16
Scholarship Fund	Scholarship	200
Health	Wal-Mart-Grant Supplies	384
Fees	Wal-Mart-Grad. Supplies	32
Fees	Wal-Mart-Grad. Supplies	52
AFJROTC	Wal-Mart-Film Developing	37
Art Dept.	IFS-Fund Raiser	56
Fees	Reimbursement	80
FFA	Galaxi of Berea-T-Shirts	119
FFA	Galt House-Rooms Convention	1,398
General	Superior Sign Service-Name Plates	558
Baseball	Aggie Sale Sport	957
Prom	All Occasions Event	120
Health	Polar Technology Proposal-Monitors	1,346
Athletics	Trophy World	88
Baseball	Lowes Sporting Goods-Equipment	1,749
<b>TOTAL ACCOUNTS PAYABLE</b>		<b>\$ 7,192</b>

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Fees	Madison County Board of Education	\$ 323
Textbooks	Madison County Board of Education	250
Tennis	Madison County Board of Education	95
AF Logistical	Madison County Board of Education	212
Fees	Madison County Board of Education	408
Tennis	Madison County Board of Education	80
Boys Basketball	Madison County Board of Education	411
<b>TOTAL DUE TO OTHER FUNDS</b>		<b>\$ 1,779</b>



**MADISON COUNTY SCHOOL DISTRICT**  
**CLARK MOORES MIDDLE SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
	\$	\$	\$	\$	\$
General	12,378	13,093	(715)	28,203	27,488
Newspaper	-	10	(10)	134	124
Pictures	3,854	3,854	-	-	-
BL Middle Academic	-	4,453	(4,453)	4,453	-
Fees	4,477	4,477	-	-	-
Library Miscellaneous	4,670	5,638	(968)	3,021	2,053
Social Studies	7,490	7,398	92	38	130
Cheerleaders-Blue	11,494	14,178	(2,684)	2,686	2
Cheerleaders-Red	3,140	3,154	(14)	15	1
Industrial Technology	-	69	(69)	435	366
Yearbook	2,779	2,354	425	1,377	1,802
Drama	-	-	-	314	314
F.C.A.	1,105	965	140	37	177
Teacher Vending	1,520	1,520	-	-	-
Teacher Appreciation	2,132	2,008	124	409	533
Student Council	962	172	790	12	802
Lost Books	527	666	(139)	1,132	993
Student Vending	4,947	4,947	-	-	-
Beta Club	3,105	3,963	(858)	972	114
C.M. Hospitality	1,421	1,106	315	-	315
Gym	570	514	56	170	226
Academic Team	379	379	-	-	-
P.E.	396	149	247	1,013	1,260
Chorus	7,286	9,611	(2,325)	8,398	6,073
Band	19,144	15,710	3,434	2,359	5,793
Science	857	649	208	49	257
Travel Club	-	-	-	3,696	3,696

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**CLARK MOORES MIDDLE SCHOOL**

ACTIVITY FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Girls Basketball	11,833	12,483	(650)	1,445	795
Boys Basketball	11,808	11,717	91	404	495
Football	3,809	4,962	(1,153)	1,154	1
Baseball	200	822	(622)	1,034	412
Track	1,512	1,652	(140)	896	756
Softball	3,798	3,091	707	751	1,458
Soccer	402	552	(150)	150	-
Soccer - Girls	2,472	2,856	(384)	1,301	917
Grade 6	3,208	2,584	624	-	624
Grade 7	1,000	-	1,000	-	1,000
Grade 8	1,000	-	1,000	46	1,046
Assignment Books	109	289	(180)	180	-
James Renfro Panaroma	-	1,900	(1,900)	1,949	49
Kuna	-	-	-	(1)	(1)
Tsunami Relief	1,060	1,060	-	-	-
Incentive Package	16,466	16,229	237	48	285
Dance Team	14,418	15,549	(1,131)	2,672	1,541
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>167,728</b>	<b>176,783</b>	<b>(9,055)</b>	<b>70,952</b>	<b>61,897</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 167,728</b>	<b>\$ 176,783</b>	<b>\$ (9,055)</b>	<b>\$ 70,952</b>	<b>\$ 61,897</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**CLARK MOORES MIDDLE SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE AND DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**ACCOUNTS PAYABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Teacher Appreciation	Richmond Distributing-Water	\$ 24
Band	DVD	<u>25</u>
<b>TOTAL ACCOUNTS PAYABLE</b>		<u><u>\$ 49</u></u>

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Band	Madison County Board of Education	\$ 376
<b>TOTAL DUE TO OTHER FUNDS</b>		<u><u>\$ 376</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON MIDDLE SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
General	\$ 1,367	\$ 3,738	\$ (2,371)	\$ 14,276	\$ 11,905
Dance Team	16,296	17,852	(1,556)	1,556	-
Newspaper	-	-	-	1,063	1,063
Yearbook	2,504	1,769	735	1,276	2,011
Beta Club	10,623	10,653	(30)	31	1
Science Club	-	1,304	(1,304)	1,885	581
Drama	606	253	353	329	682
Academic Team	237	159	78	115	193
Pictures	3,033	897	2,136	3,987	6,123
Fees	4,892	3,168	1,724	5,381	7,105
Band (Miscellaneous)	32,113	32,176	(63)	33	(30)
P.E. (Miscellaneous)	-	-	-	1,616	1,616
Social Studies	702	344	358	382	740
Cheerleaders	16,380	17,173	(793)	2,384	1,591
Cheerleaders - 6th	-	25	(25)	332	307
Football	10,884	10,033	851	18	869
Basketball (Boys)	9,692	7,943	1,749	2,854	4,603
Baseball	6,440	6,421	19	-	19
Track (Boys)	1,706	1,555	151	465	616
Student Council	-	-	-	285	285
F.C.A.	1,947	1,480	467	-	467
Flower Fund	565	574	(9)	19	10
PTO	-	-	-	1	1
Team 1	4,218	4,214	4	65	69
Team 2	4,521	5,947	(1,426)	3,118	1,692
Team 3	1,225	1,311	(86)	199	113
Team 4	948	2,509	(1,561)	1,633	72
Team 5	9,621	9,083	538	1,126	1,664

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON MIDDLE SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Team 6	6,027	7,627	(1,600)	1,966	366
Life Skills	-	42	(42)	339	297
Industrial Technology	633	352	281	584	865
Auditorium	1,590	1,052	538	3,030	3,568
Library (Miscellaneous)	253	157	96	519	615
Coke Machine - Faculty	995	918	77	-	77
Girls Softball	2,826	1,774	1,052	85	1,137
Attendance	-	-	-	500	500
Basketball (Girls)	11,824	10,901	923	566	1,489
Coke Machine - Students	311	337	(26)	456	430
Faculty Snack Machine	20	22	(2)	6	4
Payment - Lost Books	1,008	1,008	-	-	-
Soccer - Boys	4,595	4,040	555	1,550	2,105
Soccer - Girls	1,856	2,447	(591)	1,685	1,094
Pep Club	-	-	-	90	90
Book Fair	5,656	5,955	(299)	1,504	1,205
Clothing Closet	-	56	(56)	226	170
Chorus	6,370	5,319	1,051	571	1,622
Get Fit	-	-	-	2	2
Student Achievement	25	64	(39)	622	583
Gifted & Talented - Travel	585	259	326	-	326
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>185,094</b>	<b>182,911</b>	<b>2,183</b>	<b>58,730</b>	<b>60,913</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 185,094</b>	<b>\$ 182,911</b>	<b>\$ 2,183</b>	<b>\$ 58,730</b>	<b>\$ 60,913</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MADISON MIDDLE SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE AND DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**ACCOUNTS PAYABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Social Studies	Computer Fun-Fundraiser Proceeds	\$ 250
Team 3	School Specialty-Pencil Sharpener	20
Boys Basketball	Party Shop-Banquet Supplies	109
Pictures	Pepper Music-Jazz Chart	43
Team 6	School Specialty-Classroom Supplies	194
<b>TOTAL ACCOUNTS PAYABLE</b>		<u><u>\$ 616</u></u>

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Boys Basketball	Madison County Board of Education	\$ 699
General	Madison County Board of Education	47
<b>TOTAL ACCOUNTS PAYABLE</b>		<u><u>\$ 746</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**RED FOLEY MIDDLE SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
	\$	\$	\$	\$	\$
Supplemental	277	166	111	-	111
Yearbook	1,856	867	989	531	1,520
Hospitality	730	732	(2)	5	3
Scrapbook Club	-	-	-	1	1
Beta Club	2,309	2,513	(204)	603	399
Interest	896	450	446	-	446
Athletic	5,138	3,797	1,341	249	1,590
Drill Team	6,880	5,863	1,017	-	1,017
Newspaper	-	-	-	491	491
Library Fines	3,454	3,433	21	920	941
F.C.A.	-	205	(205)	322	117
School Fees	6,874	5,432	1,442	-	1,442
Gym Rent	732	732	-	-	-
Teacher Pepsi	3,268	1,864	1,404	77	1,481
Teacher Snacks	120	134	(14)	54	40
Student Pepsi	7,607	7,424	183	-	183
Student Snacks	561	258	303	-	303
School Pictures	4,607	3,365	1,242	-	1,242
Pay Phone	55	-	55	-	55
Field Trip	6,778	6,814	(36)	36	-
Academic Team	616	505	111	-	111
White Cheerleaders	713	713	-	-	-
Blue Cheerleaders	288	288	-	-	-
Orange Cheerleaders	305	305	-	-	-
Softball	1,297	1,297	-	-	-
Baseball	2,863	2,863	-	-	-
Girls Basketball	4,349	4,349	-	-	-

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**RED FOLEY MIDDLE SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Football	8,308	8,308	-	-	-
Boys Basketball	5,296	5,296	-	-	-
Girls Track	50	50	-	-	-
Boys Track	175	175	-	-	-
Boys Soccer	2,324	2,324	-	-	-
Girls Soccer	2,018	2,018	-	-	-
Art Club	453	453	-	-	-
Principal Account	2,624	2,560	64	-	64
Chorus	720	772	(52)	977	925
Team A	1,127	1,127	-	-	-
Team B	200	200	-	-	-
Team C	991	991	-	-	-
Team D	5,306	5,577	(271)	271	-
Team E	300	300	-	-	-
Team G	200	200	-	-	-
Band	5,061	3,680	1,381	295	1,676
Warriors Who Care	-	29	(29)	29	-
Boxtops	101	-	101	-	101
Warrior Supply Shop	1,580	1,557	23	237	260
Landscaping	69	(1,155)	1,224	1,068	2,292
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>99,476</b>	<b>88,831</b>	<b>10,645</b>	<b>6,166</b>	<b>16,811</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 99,476</b>	<b>\$ 88,831</b>	<b>\$ 10,645</b>	<b>\$ 6,166</b>	<b>\$ 16,811</b>

See accompanying notes to financial statements.



**MADISON COUNTY SCHOOL DISTRICT**  
**RED FOLEY MIDDLE SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS RECEIVABLE**  
**JUNE 30, 2005**

**ACCOUNTS RECEIVABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Athletic	Bus and Umpire Reimbursement	\$ 472
Athletic	Bus and Umpire Reimbursement	1,119
Teacher Snacks	K & M Snacks-Snack Commissions	39
Student Snacks	K & M Snacks-Snack Commissions	<u>295</u>
TOTAL ACCOUNTS RECEIVABLE		<u>\$ 1,925</u>

**MADISON COUNTY SCHOOL DISTRICT**  
**RED FOLEY MIDDLE SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Teacher Pepsi	Madison County Board of Education	\$ 185
<b>TOTAL DUE TO OTHER FUNDS</b>		<u><u>\$ 185</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**DANIEL BOONE ELEMENTARY SCHOOL**

ACTIVITY FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
General	\$ 5,668	\$ 6,307	\$ (639)	\$ 1,103	\$ 464
Classroom Fees	4,169	980	3,189	2	3,191
Pictures	9,659	11,079	(1,420)	9,488	8,068
Teachers Lounge	578	578	-	-	-
Teachers Appreciation	1,842	2,448	(606)	1,366	760
Chorus	930	944	(14)	213	199
Fees	1,261	869	392	1,254	1,646
Literacy	-	-	-	315	315
Interest	223	-	223	55	278
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>24,330</b>	<b>23,205</b>	<b>1,125</b>	<b>13,796</b>	<b>14,921</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 24,330</b>	<b>\$ 23,205</b>	<b>\$ 1,125</b>	<b>\$ 13,796</b>	<b>\$ 14,921</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT  
DANIEL BOONE ELEMENTARY SCHOOL  
ACTIVITY FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
JUNE 30, 2005**

ACCOUNTS PAYABLE

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
General	Positive Promotions - Test Materials	<u>\$ 154</u>
TOTAL ACCOUNTS PAYABLE		<u><u>\$ 154</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**KINGSTON ELEMENTARY SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
General Account	\$ 28,190	\$ 30,888	\$ (2,698)	\$ 15,472	\$ 12,774
Staff Appreciation	1,077	1,110	(33)	302	269
Student Store	-	-	-	248	248
Student Fees	3,381	3,521	(140)	1,216	1,076
Student Book Order	4,690	4,690	-	-	-
Pictures	6,200	6,200	-	-	-
Gym Rental	470	1,849	(1,379)	1,679	300
Now Account	358	358	-	-	-
Attendance Awards	-	-	-	1	1
School to Work	2,426	1,031	1,395	2,647	4,042
Accelerated Reader	2,690	4,603	(1,913)	3,306	1,393
Donations	300	161	139	310	449
Lost Books	326	-	326	-	326
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>50,108</b>	<b>54,411</b>	<b>(4,303)</b>	<b>25,181</b>	<b>20,878</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 50,108</b>	<b>\$ 54,411</b>	<b>\$ (4,303)</b>	<b>\$ 25,181</b>	<b>\$ 20,878</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT  
KINGSTON ELEMENTARY SCHOOL  
ACTIVITY FUND  
SCHEDULE OF DUE TO OTHER FUNDS  
JUNE 30, 2005**

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
School to Work	Madison County Board of Education	\$ 632
General	Madison County Board of Education	430
Gym Rental	Madison County Board of Education	143
General	Madison County Board of Education	<u>84</u>
<b>TOTAL DUE TO OTHER FUNDS</b>		<u><u>\$ 1,289</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**KIRKSVILLE ELEMENTARY SCHOOL**

ACTIVITY FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
General	\$ 20,053	\$ 16,623	\$ 3,430	\$ 10,995	\$ 14,425
Student Fee	10,489	10,489	-	336	336
Pepsi Staff Vending	562	533	29	4,991	5,020
Book Fair	12,690	12,570	120	147	267
Pictures	6,793	6,793	-	-	-
Flower Fund	390	390	-	-	-
Yearbook Fund	2,847	2,847	-	-	-
Miscellaneous Trips/Books	-	351	(351)	351	-
School Store	496	496	-	-	-
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>54,320</b>	<b>51,092</b>	<b>3,228</b>	<b>16,820</b>	<b>20,048</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 54,320</b>	<b>\$ 51,092</b>	<b>\$ 3,228</b>	<b>\$ 16,820</b>	<b>\$ 20,048</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**KIRKSVILLE ELEMENTARY SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE**  
**JUNE 30, 2005**

**ACCOUNTS PAYABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Bookfair	Laurel Nolan-Books	\$ 74
Bookfair	Highsmith-Supplies	645
Bookfair	Ebsco-Magazines	204
Bookfair	Demco-Supplies	378
Bookfair	School Specialty-Supplies	<u>303</u>
<b>TOTAL ACCOUNTS PAYABLE</b>		<u><u>\$ 1,604</u></u>



**MADISON COUNTY SCHOOL DISTRICT**  
**KIT CARSON ELEMENTARY SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
General Fund	\$ 17,013	\$ 19,474	\$ (2,461)	\$ 9,666	\$ 7,205
Fees	3,702	3,702	-	-	-
Pepsi & Coke Sales	(57)	-	(57)	218	161
Lost Books	137	-	137	336	473
Yearbook Sales	3,586	3,357	229	1,205	1,434
Staff	792	667	125	788	913
Accelerated Reader	-	-	-	334	334
Miscellaneous	-	(34)	34	(34)	-
School Store	-	-	-	1,514	1,514
<b>TOTAL BEFORE INTER-FUND TRANSFER</b>	<b>25,173</b>	<b>27,166</b>	<b>(1,993)</b>	<b>14,027</b>	<b>12,034</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 25,173</b>	<b>\$ 27,166</b>	<b>\$ (1,993)</b>	<b>\$ 14,027</b>	<b>\$ 12,034</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**KIT CARSON ELEMENTARY SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE AND DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**ACCOUNTS PAYABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Yearbook	Memory Yearbook	<u>\$ 326</u>
<b>TOTAL ACCOUNTS PAYABLE</b>		<u><u>\$ 326</u></u>

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
General	Madison County Board of Education	<u>\$ 1,340</u>
<b>TOTAL DUE TO OTHER FUNDS</b>		<u><u>\$ 1,340</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**MAYFIELD ELEMENTARY SCHOOL**

ACTIVITY FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Art Club	\$ 4,174	\$ 2,949	\$ 1,225	\$ 738	\$ 1,963
Boy Scouts	101	164	(63)	63	-
General Fund	8,136	15,830	(7,694)	43,875	36,181
Operating Expense	-	406	(406)	3,157	2,751
Paper and Pencil Vending	380	223	157	273	430
Snack Vending	93	65	28	76	104
Staff Courtesy	1,802	1,629	173	58	231
Jump Rope for Heart	634	634	-	-	-
Student Pictures	4,182	2,996	1,186	2,786	3,972
<b>TOTAL BEFORE INTER-FUND TRANSFER</b>	<b>19,502</b>	<b>24,896</b>	<b>(5,394)</b>	<b>51,026</b>	<b>45,632</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 19,502</b>	<b>\$ 24,896</b>	<b>\$ (5,394)</b>	<b>\$ 51,026</b>	<b>\$ 45,632</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**MAYFIELD ELEMENTARY SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS RECEIVABLE**  
**JUNE 30, 2005**

**ACCOUNTS RECEIVABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
General	Lost Books	\$ 64
Art Club	SCAPP Prints	202
Hospitality	Hospital Dues	<u>100</u>
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<u><u>\$ 366</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**MAYFIELD ELEMENTARY SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE AND DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**ACCOUNTS PAYABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
General	Books for Summer	\$ 391
Student Pictures	Late Pictures	50
Art Club	SCAPP Print	15
Hospitality	L.Shearer Reimbursement	40
Art Club	Reimbursement Supplies	21
Operating Fund	Action Business-Keys for Cabinet	40
Art Club	UPS Store-Color Copies	25
General	L.D. Trophies	9
General	Wal-Mart-Student Charges	<u>422</u>
<b>TOTAL ACCOUNTS PAYABLE</b>		<b><u>\$ 1,013</u></b>

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
General	Madison County Board of Education	<u>\$ 481</u>
<b>TOTAL DUE TO OTHER FUNDS</b>		<b><u>\$ 481</u></b>

**MADISON COUNTY SCHOOL DISTRICT**  
**SHANNON JOHNSON ELEMENTARY SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
General Fund	\$ -	\$ 1,039	\$ (1,039)	\$ 1,210	\$ 171
Classroom Fees	13	13	-	58	58
Interest	48	-	48	-	48
Pictures	6,719	4,506	2,213	1,391	3,604
Yearbook	3,006	2,124	882	-	882
Lost Library Books	334	585	(251)	562	311
Field Trips	2,378	2,385	(7)	7	-
Jump for Heart	544	544	-	-	-
Academic Team	-	-	-	50	50
Youth Crime Watch	-	184	(184)	191	7
Book Fair	8,264	8,457	(193)	374	181
Jr. Beta Club	299	380	(81)	96	15
Yo Yo Man	-	-	-	1	1
Teachers Lounge	127	142	(15)	15	-
Student Vending	735	475	260	287	547
Donations	650	668	(18)	36	18
Student Fees	2,555	2,182	373	1	374
Care Committee	-	245	(245)	400	155
Miscellaneous	12,537	12,349	188	2,245	2,433
<b>TOTAL BEFORE INTER-FUND TRANSFER</b>	<b>38,209</b>	<b>36,278</b>	<b>1,931</b>	<b>6,924</b>	<b>8,855</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 38,209</b>	<b>\$ 36,278</b>	<b>\$ 1,931</b>	<b>\$ 6,924</b>	<b>\$ 8,855</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**SHANNON JOHNSON ELEMENTARY SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Field Trips	Madison County Board of Education	<u>\$ 486</u>
<b>TOTAL DUE TO OTHER FUNDS</b>		<u><u>\$ 486</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**SILVER CREEK ELEMENTARY SCHOOL**

ACTIVITY FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
General	\$ 15,358	\$ 13,946	\$ 1,412	\$ 44,636	\$ 46,048
Student Fees	3,724	3,182	542	2,087	2,629
Adult Store	704	776	(72)	503	431
Operating Expense	-	359	(359)	3,765	3,406
Student Store	-	-	-	77	77
Country Dancers	1,440	811	629	245	874
Forward in the Fifth	-	2	(2)	2	-
Kiwanis	150	7	143	109	252
Academic Team	1,239	280	959	-	959
Yearbook	3,672	6,739	(3,067)	3,545	478
Gym Rental	237	237	-	-	-
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>26,524</b>	<b>26,339</b>	<b>185</b>	<b>54,969</b>	<b>55,154</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 26,524</b>	<b>\$ 26,339</b>	<b>\$ 185</b>	<b>\$ 54,969</b>	<b>\$ 55,154</b>

See accompanying notes to financial statements.



**MADISON COUNTY SCHOOL DISTRICT  
SILVER CREEK ELEMENTARY SCHOOL  
ACTIVITY FUND  
SCHEDULE OF DUE TO OTHER FUNDS  
JUNE 30, 2005**

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Operating Expense	Madison County Board of Education	\$ 315
Student Fees	Madison County Board of Education	<u>1,550</u>
<b>TOTAL DUE TO OTHER FUNDS</b>		<u><u>\$ 1,865</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**WACO ELEMENTARY SCHOOL**

ACTIVITY FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
Teachers Lounge	\$ 1,414	\$ 1,332	\$ 82	\$ 185	\$ 267
Student Store	9,434	9,434	-	-	-
Student Fee	2,933	3,258	(325)	325	-
General	8,198	6,262	1,936	2,550	4,486
Gym Rental	150	53	97	313	410
Book Fair - Library	10,909	12,320	(1,411)	2,391	980
Interest	136	922	(786)	1,097	311
Attendance	-	258	(258)	258	-
Pictures	6,386	5,705	681	1,019	1,700
Yearbook	2,738	2,678	60	461	521
Miscellaneous - Book Orders	14,248	14,302	(54)	1,733	1,679
FCA	-	37	(37)	97	60
Jump Rope for Heart	1,704	1,704	-	-	-
Jump Rope	1,793	1,810	(17)	36	19
Academic Team	432	432	-	24	24
Fieldtrip Fund (PTO)	1,150	818	332	-	332
ESS	3,495	3,495	-	-	-
<b>TOTAL BEFORE INTER-FUND TRANSFE</b>	<b>65,120</b>	<b>64,820</b>	<b>300</b>	<b>10,489</b>	<b>10,789</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 65,120</b>	<b>\$ 64,820</b>	<b>\$ 300</b>	<b>\$ 10,489</b>	<b>\$ 10,789</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**WACO ELEMENTARY SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS RECEIVABLE**  
**JUNE 30, 2005**

**ACCOUNTS RECEIVABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Interest	Peoples Bank-Yearly Interest	<u>\$ 75</u>
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<u><u>\$ 75</u></u>

**MADISON COUNTY SCHOOL DISTRICT**  
**WACO ELEMENTARY SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE AND DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**ACCOUNTS PAYABLE**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
General	Pencils, Supplies	\$ 73
TOTAL ACCOUNTS PAYABLE		<u>\$ 73</u>

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Misc.	Madison County Board of Education	\$ 1,017
TOTAL DUE TO OTHER FUNDS		<u>\$ 1,017</u>

**MADISON COUNTY SCHOOL DISTRICT**  
**WHITE HALL ELEMENTARY SCHOOL**  
**ACTIVITY FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

ACCOUNT	REVENUES	EXPENDITURES	EXCESS (DEFICIT)	FUND BALANCE JULY 1, 2004	FUND BALANCE JUNE 30, 2005
General	\$ 6,869	\$ 14,900	\$ (8,031)	\$ 69,376	\$ 61,345
Interest	1,148	-	1,148	-	1,148
Fees	3,747	4,165	(418)	418	-
Teacher Miscellaneous	5,352	5,635	(283)	2,497	2,214
Teacher Lounge	371	1,352	(981)	6,538	5,557
Jump Rope for Heart	1,329	1,329	-	-	-
Building Operating	-	96	(96)	96	-
Yearbook	4,905	4,451	454	510	964
Business Donation	-	-	-	15	15
Lolly Grams	479	479	-	-	-
Lost Books	167	-	167	127	294
Book Fair	5,116	4,152	964	-	964
Beta Club	455	455	-	-	-
<b>TOTAL BEFORE INTER-FUND TRANSFER</b>	<b>29,938</b>	<b>37,014</b>	<b>(7,076)</b>	<b>79,577</b>	<b>72,501</b>
Less Inter-fund Transfers	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 29,938</b>	<b>\$ 37,014</b>	<b>\$ (7,076)</b>	<b>\$ 79,577</b>	<b>\$ 72,501</b>

See accompanying notes to financial statements.

**MADISON COUNTY SCHOOL DISTRICT**  
**WHITE HALL ELEMENTARY SCHOOL**  
**ACTIVITY FUND**  
**SCHEDULE OF DUE TO OTHER FUNDS**  
**JUNE 30, 2005**

**DUE TO OTHER FUNDS**

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
General	Madison County Board of Education	\$ 159
<b>TOTAL DUE TO OTHER FUNDS</b>		<u><u>\$ 159</u></u>

See accompanying notes to financial statements.

MADISON COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT ID NUMBER	EXPENDITURES
<u>U.S. DEPARTMENT OF AGRICULTURE</u> (Passed through the Kentucky Department of Education)			
School Breakfast Program	10.553	57604	\$ 115,283
School Breakfast Program	10.553	57605	340,197
National School Lunch Program	10.555	57504	336,886
National School Lunch Program	10.555	57505	1,008,570
Summer Reimbursement	10.559	57404	41,784
Summer Spon	10.559	56904	4,348
Passed through the Kentucky Department of Agriculture			
Food Distribution(In-Kind Commodities)	10.550	N/A	256,135
Total U.S. Department of Agriculture			<u>2,103,203</u>
<u>U.S. DEPARTMENT OF EDUCATION</u> (Passed through the Kentucky Department of Education)			
Title I	84.010	0351-04-01	354,638
Title I	84.010	0361-05-01	1,639,187
Migrant	84.011	0352-04-02	52,800
Migrant	84.011	0352-05-02	183,082
Title I - Neglected & Delinquent	84.013	531.04	5,108
Title III - Language Acquisition	84.365	520-04-02	10,826
Title III - Language Acquisition	84.365	520-05-02	12,401
Title V - Innovative Program	84.298	N/A	46,273
Wilderness Trail Cooperative	84.027	0581-03-04	100,927
Wilderness Trail Cooperative	84.027	0581-04-04	370,535
IDEA- Basic	84.027A	0581-04-02	16,940
IDEA- Basic	84.027A	0581-05-02	1,791,317
IDEA- Preschool	84.173A	0587-04-02	11,616
IDEA- Preschool	84.173A	0587-05-02	120,982
Basic Vocational Education	84.048	0462-05-32	33,588
Vocational Carry-Forward	84.048	0462-05-32	3,307
Title II Part A - Teacher Quality	84.367	710-04-02	92,426
Title II Part A - Teacher Quality	84.367	710-05-02	550,921
Title IV - Safe & Drug Free Schools	84.186	0590-04-02	8,500
Title IV - Safe & Drug Free Schools	84.186	0590-05-02	57,679
Title II - Part D - Enhancing Ed Thru Technology	84.318	736-05-02	48,901
21st Century	84.287	744-04-03	147,148
21st Century	84.287	744-05-03	42,238
Pride Grant #EF-04-14	N/A	N/A	1,715
Pride Grant #EWG-04-04	N/A	N/A	200
Total U.S. Department of Education			<u>5,703,255</u>
<u>FEDERAL THRU INTERMEDIARY</u>			
CSEPP	N/A	N/A	217,019
Smaller Learning Communities	84.215L	N/A	68,075
UK Reading Recovery Teacher Leader	N/A	N/A	25,000
Appalachian Math & Science	N/A	N/A	4,447
Total Federal Thru Intermediary			<u>314,541</u>
<u>FEDERAL DIRECT</u>			
21st Century	84.287	N/A	46,922
ROTC	N/A	N/A	107,460
Medicaid Reimbursements	N/A	N/A	94,397
Total Federal Direct			<u>248,779</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,369,778</u>

MADISON COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Madison County School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.





## **Baldwin & Associates PLLC**

*Your link for financial success*

*Certified Public Accountants  
Consultants & Information Professionals*

PO Box 1390  
Richmond, KY 40476-1390  
Phone: (859) 626-9040  
(859) 623-1606

230 Frankfort Street, Suite 7  
Versailles, KY 40383  
Phone: (859) 879-0710

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board Members  
Madison County School District  
550 South Keeneland Drive  
Richmond, Kentucky 40475

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Madison County School District as of and for the year ended June 30, 2005, which collectively comprise the Madison County School District's basic financial statements and have issued our report thereon dated October 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Madison County School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Madison County School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we reported to management of the Madison County School District's, in a separate letter dated October 14, 2005.

This report is intended solely for the information and use of the Board, management, other within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties

*Baldwin & Associates, PLLC*

Baldwin & Associates, PLLC  
October 14, 2005



**Baldwin & Associates PLLC**  
*Your link for financial success*

PO Box 1390  
Richmond, KY 40476-1390  
Phone: (859) 626-9040  
(859) 623-1606

*Certified Public Accountants  
Consultants & Information Professionals*

230 Frankfort Street, Suite 7  
Versailles, KY 40383  
Phone: (859) 879-0710

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board Members  
Madison County School District  
550 South Keeneland Drive  
Richmond, Kentucky 40475

Compliance

We have audited the compliance of the Madison County School District, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Madison County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City the Madison County School District's management. Our responsibility is to express an opinion on the Madison County School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Madison County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Madison County School District's compliance with those requirements.

In our opinion, the Madison County School District, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the Madison County School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Madison County School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Baldwin & Associates, PLLC*

Baldwin & Associates, PLLC

October 14, 2005

**MADISON COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Madison County Board of Education.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance material to the basic financial statements of the Madison County Board of Education were disclosed during the audit.
4. No reportable conditions disclosed during the audit of internal control over major federal award programs is reported in the Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal awards programs for the Madison County Board of Education expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for the Madison County Board of Education.
7. The programs tested as major programs included:

Title I	84.010
21 <sup>st</sup> Century	84.287
8. The threshold for distinguishing Types A and B Programs was \$300,000.
9. The Madison County Board of Education qualified to be a low risk auditee.

**MADISON COUNTY SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2005**

No audit findings reported in prior year.



**Baldwin & Associates PLLC**  
*Your link for financial success*

*Certified Public Accountants  
Consultants & Information Professionals*

PO Box 1390  
Richmond, KY 40476-1390  
Phone: (859) 626-9040  
(859) 623-1606

230 Frankfort Street, Suite 7  
Versailles, KY 40383  
Phone: (859) 879-0710

To the Board Members  
Madison County School District  
550 South Keeneland Drive  
Richmond, Kentucky 40475

In planning and performing our audit of the financial statements of the Madison County School District for the year ended June 30, 2005, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various school personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

#### Equipment Inventory

During our review of asset listings related to federal programs, we noted the equipment lists did not contain all the required items. The lists did not include the serial number, date of acquisition, cost, and applicable disposal information. We recommend that equipment lists be revised to include this information.

#### Response:

We plan to utilize MUNIS functions to assist federal program coordinators in maintaining their equipment lists.

#### School Activity Funds

##### Clark Moore Middle School

#### Fund-Raising

During our examination of the fund-raising reports it became evident that the reports were not fully completed in accordance with the Redbook. A review of all fund-raising reports showed that information essential to complete a reconciliation of sales to cash received was missing. The missing information, which varied among fund-raisers, included budget sales, actual sales, money received, actual expenses, and occasionally the sponsor's and principal's signature. Also, in most cases, both of the required fund-raising reports were not submitted. We suggest that these forms be completed and submitted in accordance with the Redbook.

#### Receipts

As we examined daily receipts, it became evident that the multiple receipt form is not being used properly. The students' names and the amount of money they paid were not being listed on the multiple receipt form. Instead the total amount of money collected was listed with a breakdown between cash and checks. In a few instances, there was no documentation to support some of the receipts. We suggest that these forms be completed in accordance with the Redbook.

between cash and checks. In a few instances, there was no documentation to support some of the receipts. We suggest that these forms be completed in accordance with the Redbook.

#### Foley Middle School

##### Ticket Sales

During our examination of the ticket sales reports we noted a couple instances where the reports were not fully completed in accordance with the Redbook. Selected ticket reports were missing the bookkeeper's signature from the form and the person-in-charge did not sign that they had received the money needed for change. There were also instances where the same color tickets were being used for consecutive events. We suggest that these forms be completed in accordance with the Redbook.

##### Inventory

As we examined inventory, it became evident that the inventory control sheet is not being used properly. The inventory sheets for the School Store are being used to record their sales and purchases but they are not completing the form to find the ending inventory number. The reporting period on all inventory sheets is listed as Fall 2004 so it is impossible to follow the follow in and out of inventory, which makes it impossible to reconcile inventory. The inventory sheets for the Paper & Pencil Store and the Candy Sales both had instances where the beginning inventory number did not match the prior sheet's ending inventory number. We suggest that the inventory control sheets be completed in accordance with the Redbook.

#### Kingston Elementary School

##### Inventory

During our examination of inventory, we found that inventory for the school store and the Friday ice cream sales had not been documented during the year. We suggest that the inventory control sheet found in the Redbook be used to track inventory throughout the year.

#### Kirksville

##### Receipts

As we examined receipts, it became evident that the bookkeeper does not consistently retain documentation of receipts. Selected receipts reviewed did not have any supporting documentation. Some of the receipts reviewed should have been accompanied by multiple receipt forms but the bookkeeper did not retain these forms throughout the year. We suggest that the appropriate supporting documentation be retained for each receipt in accordance with the Redbook.

#### Kit Carson

##### Disbursements

During our examination of disbursements, we noted that there were a few instances where the standard invoice was simply used as a cover sheet and not fully completed. The information missing from the standard invoice was the signatures of the Principal or vendor when the vendor's invoice was not attached with the Principal's signature or a purchase order signed by the Principal. We suggest that the standard invoice be completed in accordance with the Redbook.

#### Madison Central High School

##### Fund-Raising

During our examination of the fund-raising reports it became evident that the reports were not fully completed in accordance with the Redbook. A review of all fund-raising reports showed that information essential to complete a reconciliation of sales to cash received was missing. The missing information, which varied among fund-raisers, included budget sales, actual sales,

money received, and actual expenses. It was also noted that the Principal does not sign off on the inventory control fund-raiser worksheet (F-SA-2B). We suggest that these forms be completed and submitted in accordance with the Redbook.

### Madison Middle School

#### Fund-Raising

During our examination of the fund-raising reports, we observed that the documentation of fund-raisers was generally accurate. However, there was one instance where the fund-raising reports were not completed. We suggest that these reports be completed in accordance with the Redbook.

### Madison Southern

#### Fund-Raising

During our examination of the fund-raising reports it was noted that the school was using their own version of the fund-raising reports as opposed to the reports provided in the Redbook. This is permitted as long as the form contains all the information asked for per the Redbook form. Their reports lacked some information. In several instances, the Principal had signed the top half of the form which dealt with the approval of the fund-raiser but neglected to sign the bottom half which reported the actual receipts, expenses and profits of the fund-raiser. This bottom half of the form wasn't even filled out at times which was essential to complete a reconciliation of sales to cash received. We suggest that the fund-raising forms found in the Redbook (F-SA-2A and F-SA-2B) be used for future fund-raisers.

#### Internal Control

During the auditor's discussion of internal control with the bookkeeper, it was discovered that the bookkeeper was opening the majority of the mail. Therefore, the checks, bills, and bank statements were not being reviewed by another person. We suggest that the mail be opened and reviewed by Principal.

### Mayfield Elementary

#### Receipts

During our examination of receipts, it was noted that the bookkeeper does not sign or date the multiple receipt form to show that she received the money. It is also a common practice for a teacher to turn in additional money without a multiple receipt form after already submitting a multiple receipt form for that day. The teacher will simply amend her earlier copy of the multiple receipt form and the bookkeeper will fill out a second multiple receipt form for the additional money. Therefore, the teacher is not signing or dating the second form to show that they turned in the money. We suggest that these forms be completed and submitted in accordance with the Redbook.

The art teacher maintains a separate receipt book and all the documentation for the money received for the sale of the Mayfield student's art. When she turns the money into the bookkeeper, she does not provide any documentation of the money received to the bookkeeper. We suggest that the art teacher provide the bookkeeper with a copy of the documentation of the money received when she turns the money into the bookkeeper.

### Waco Elementary

#### Receipts

During our examination of receipts, there were several instances where multiple receipt forms could not be found to support receipts. These receipts were for teachers for field trip money that



had been collected from students. We suggest that the multiple receipt form be completed and submitted in accordance with the Redbook.

As we examined daily receipts, it became evident that deposits are not being made daily when there are receipts over \$100. If receipts are received after a certain time they are put in a locked drawer and deposited the next day. We suggest that no receipts over \$100 be left for deposit on a later date.

#### **RESPONSE – All School Activity Funds**

The superintendent and treasurer will meet with the principal and bookkeeper of each school regarding their school's management letter comments. They will then be expected to submit a corrective action plan.

We wish to thank school personnel for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Education, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Baldwin & Associates, PLLC*

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October 14, 2005